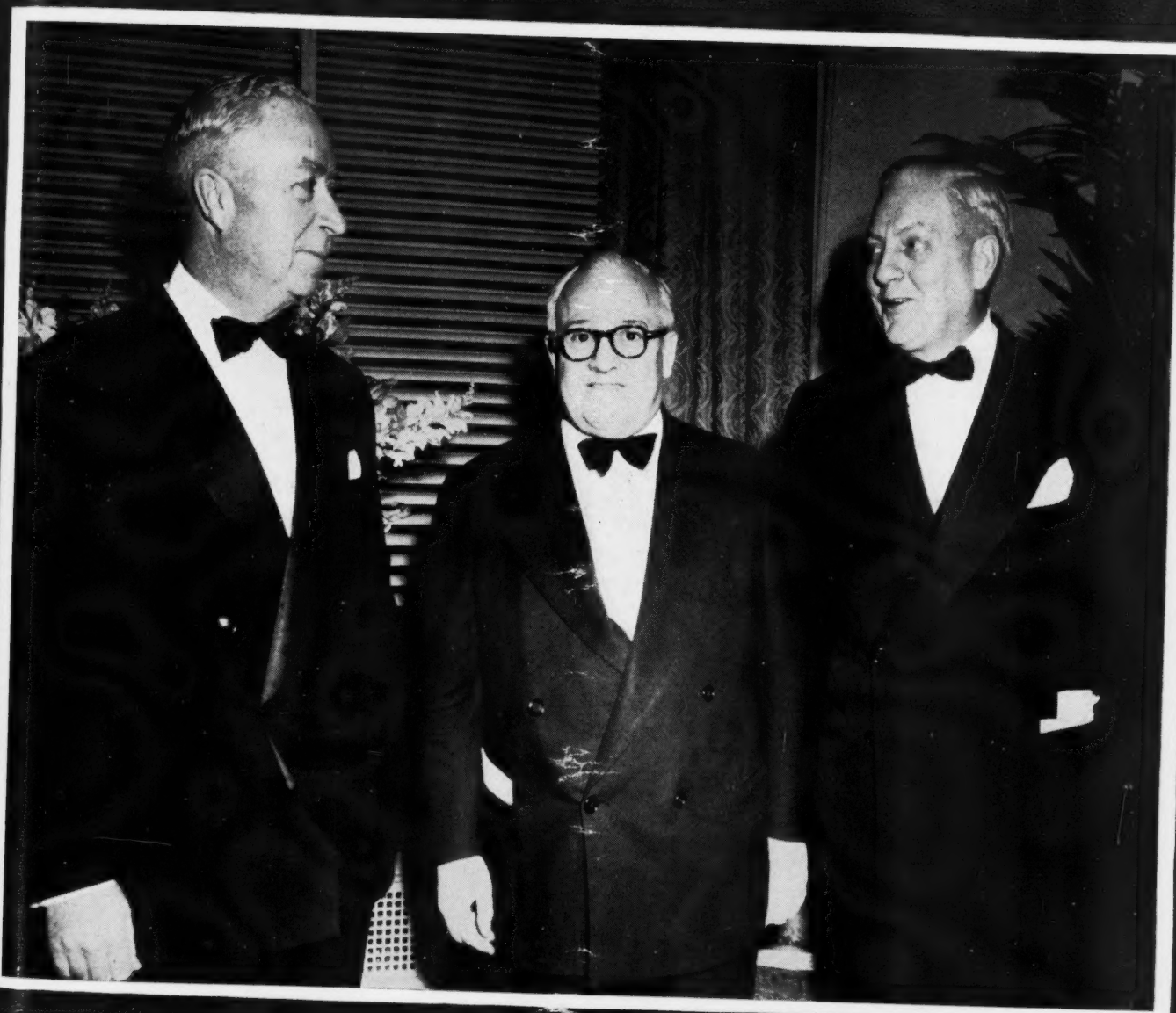


CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY * FINANCE * COMMERCE



LEADERS DISCUSS CHANGING ECONOMY

Story on Page 3

Bank Managers Speak in "Rebuttal"
On Helping Credit Collect Accounts

Business Will Restore Real Prosperity If
Government Ends "Baiting," Heinmann

Management Too Often Is Paying Bill
For Fire Protection It Doesn't Get

Changed Proportions of Bank Assets
Tend to Lighten a Future Depression

JUNE, 1952

New wings for the work of accounting!

Burroughs Sensimatic

ACCOUNTING MACHINES

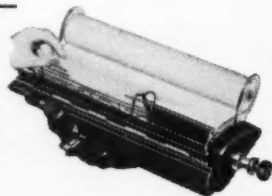


You can see how every Sensimatic feature contributes to the volume-handling velocity of these superb new accounting tools. You can translate this into more efficient, more economical figure-fact production in your business. Next step is to learn how little *your* Sensimatic will cost. Why not take it . . . why not call your Burroughs man now? Burroughs Adding Machine Company, Detroit 32, Mich.



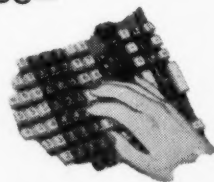
A carriage that's all automatic—

Carriage opens, closes and forms are spaced by automatic Sensimatic control. All movements are motor-driven for smooth operation. Transparent slip-proof form guides are easily moved, easily adapted . . . give all-operation visibility.



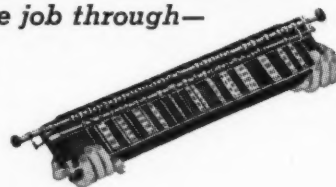
A keyboard that's simple as ABC—

All Sensimatic keyboards feature square keys with "Finger-tip Fit." Key pressure is scientifically correct for swift and simple operation. Keys and motor bar can be depressed simultaneously for extra speed. Automatic functions can also be controlled from the keyboard.



A mechanism that thinks the job through—

This "mechanical brain" sensing panel directs the Sensimatic through every figuring operation and carriage movement . . . enables it to *compute while in motion* for greater speed. Any four jobs to a panel—any number of panels to a machine—means unlimited versatility.



Now there are three!

Sensimatic 300 with 11 totals
Sensimatic 200 with 5 totals
Sensimatic 100 with 2 totals



The "Cornwallis" House...

VETERAN OF THREE WARS



WHEN Lord Cornwallis came to Wilmington in April 1781, as his headquarters he requisitioned part of the finest dwelling in town, the home of Judge Joshua Grainger Wright. Although he stayed only two weeks, this fine old North Carolina mansion has ever since been known as the Cornwallis House. For many years initials scratched on a windowpane in the drawing room were reminders of the brief romance between a junior officer on Cornwallis' staff and one of Judge Wright's lovely daughters. By an amazing coincidence, a century later when a descendant of the Wright family was returning to Wilmington from a trip abroad, she met on shipboard a young Englishman who confided that he was making a pilgrimage to the Cornwallis House to see the initials which one of his ancestors had engraved on a window with his heavy diamond ring.



The house was built in 1771 by the wealthy John Burgwin, treasurer of the colony. When he went to England at the start of the Revolution he leased the house to Judge Wright who later purchased it.

The foundations were built on the site of the old town jail. In the dungeon beneath the house were confined many rebellious colonists who disobeyed the edicts issued by Cornwallis. According to local lore, leading from the dungeon to the Cape Fear River was a tunnel through which many persons escaped.

This gracious home of Southern aristocrats was used by armed forces in three wars: During the Revolution it was occupied by the British; in the War Between the States it quartered Federal officers after Wilmington had been captured by Union armies; and in World War II it served as an officers' club.

The Cornwallis House is now the headquarters of the North Carolina Society of the Colonial Dames of America. Authentically restored, it is open to the public through the society's generosity.

The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

★ THE HOME ★ *Insurance Company*

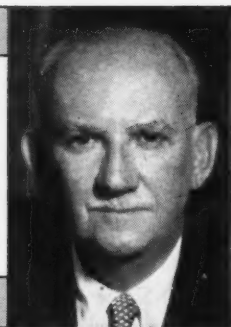
Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

Copyright 1952, The Home Insurance Company

Editorial



Beware of the Stalin Influence!

A POLITICAL discussion would be out of place in our national magazine. I wish, however, to present one non-partisan thought for your consideration. Should our election this fall be close, we might face a rather sinister situation of which most people are not aware. It is a fact that in a close election Stalin could easily be an important factor. Such a result is sad to contemplate but that makes it no less a fact.

In the last election the so-called liberal parties, although not communists, were the beneficiary of the votes of many of the communists, fellow travelers and sympathizers, and polled enough votes in several close voting states to decide the winner of the electoral vote. In New York state, for instance, had the Democratic party received the majority of the votes cast for these liberal party candidates, it would have carried New York.

Assume that in the coming election the Communist party adopts a policy of giving its candidate just enough votes to keep the party qualified, and assume further that instructions come from Moscow to the party members and fellow travelers over here to give merely a token qualifying vote to their candidate but to step over into another party with the majority of their votes. You can be assured that the nominee thought easiest to deal with, or influence, would be the beneficiary of such subversive votes even though he didn't desire or even detested such support.

This voting strength in the state of New York easily could reach several hundred thousands and in a close election could be controlling. It could be influential in other states. Think it over.

It is to be hoped no situation will develop that may give the very groups we are fighting a chance for so strong a voice in the selection of our leadership. It would be the irony of fate to have so ruthless a tyrant as Stalin influence the election in our free country. Under such circumstances civilization would be the loser.

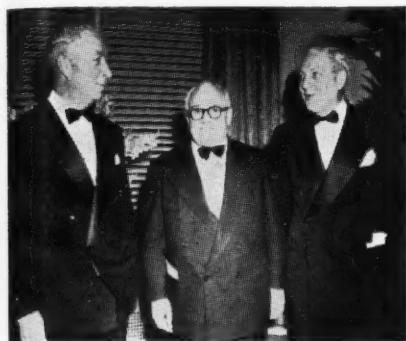
A handwritten signature in dark ink, reading "Henry H. Heimann". The signature is fluid and cursive, with a long, sweeping underline.

HENRY H. HEIMANN,
Executive Vice President

THE JUNE COVER

WHEN top management in banking, textile factoring, and publishing gets together to discuss business, seemingly widely divergent problems dissolve into a common denominator of how to maintain free enterprise in a changing and confused economy.

In this meeting of minds, at a dinner of the New York Credit and Financial Management Association,



were (l. to r.) Horace C. Flanigan, president of the Manufacturers Trust Company; Roliston G. Woodbury, vice president of the Textile Banking Company, Inc., and reelected association president; and Arthur H. ("Red") Motley, president and publisher, Parade Publication, Inc.

Mr. Flanigan, after Cornell University took postgraduate work at the University of Munich and the Technical School of Munich, and returned to New York to become associated in 1914 in the Adams-Flanigan Company. In 1931 he was named vice president and director of the Manufacturers Trust Company, advancing to vice chairman of the board, chairman, and president.

There's a touch of Horatio Alger—"From Office Boy to Vice President," literally—in the career of Mr. Woodbury in Textile Banking Company, which he joined 30 years ago, following graduation from Bowdoin College after "prep" days at Thornton Academy in Saco, Maine.

Mr. Motley took his college dramatics, Fuller brush selling and University of Minnesota diploma to Broadway for a brief dip in play production, studied in Europe, discarded a year's law study at Columbia University for roadshow selling of Smith Brothers cough sirup, thence to publishing.

From advertising space salesman, in his 18 years with the Crowell-Collier Publishing Company he built himself to a vice presidency and directorship, and to publisher of The American Magazine, leaving in 1946 for Parade.

CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY * FINANCE * COMMERCE

General Manager: Edwin B. Moran
Official Publication of The National Association of Credit Men

VOLUME 54

NUMBER 6

IN THIS ISSUE

	Page
Beware of the Stalin Influence!—Editorial by Henry H. Heimann	4
Washington	6
Sales Executives Give the Rebuttal	8
Trends	10
Our Most Perplexing Credit Problem	12
Legal Rulings and Opinions	14
Changed Proportions of Bank Assets	16
Arbitration instead of Regimentation	18
A Three-Platoon Profit Team	20
The Big Seven of Absolute Protection	22
Letters to the Editor	28
Up the Executive Ladder	30
Guides to Improved Executive Operation	32
Keeping Informed—Efficiency Tips—Book Reviews	32
Modernizing for Office Efficiency	33
Credit Men Can Help Restore True Prosperity, Says Heimann	35
Washington's "Innocents Abroad"	37
Coming Events on Associations' Calendar	40
Management in the News	41
Local Credit Associations in Action	42

EDITOR Ernest A. Rovelstad

ASSOCIATE EDITOR Richard G. Tobin

ADVERTISING & BUSINESS MANAGER Edwin B. Moran

ASSISTANT ADVERTISING MANAGER M. M. Bradford

ADVERTISING REPRESENTATIVES

Send copy and cuts to 33 So. Clark Street, Room 1538, Chicago 3, Ill.

Chicago, Ill.—Russell Smith, 205 West Wacker Drive, Phone: DEarborn 2-5091

New York and Eastern—Lawrence A. Audrain and Harold R. Preston, 17 W. 44th St., 7th Floor, New York 18, N.Y. Phone: MUrray Hill 2-7963

Los Angeles, Calif.—Robert W. Walker, Robert W. Walker Co., 2330 W. Third St. Phone: DUmkirk 7-4388

San Francisco, Calif.—Rogers W. Parratt, Robert W. Walker Co., 57 Post Street, Phone: SUtter 1-5568

Published on the 15th of month preceding date of issue by the National Association of Credit Men, 404 N. Wesley Ave., Mount Morris, Ill.

Entered as second-class matter Dec. 28, 1951, at the post office at Mount Morris, Illinois, under the Act of March 3, 1879.

Subscription price \$3.00 a year, 25c per copy; Canada, \$3.50; all other countries, \$4.00 postpaid. Copyright 1952 by The National Association of Credit Men, which is responsible only for official Association statements and announcements printed herein. Printed in the United States of America.

NAMP

CCA

Publication Office:
404 N. Wesley Ave., Mount Morris, Ill.

Editorial and Executive Offices:
33 South Clark St., Room 1538
Chicago 3, Ill. Phone: ANdover 3-3096
(Address all editorial material, photos and plates to the Chicago office.)



¶ A new chapter would be added to the National Bankruptcy Act if the bill recently passed by the Senate were also voted by the House. This is S. 25, which sets up Chapter XVI in the National Bankruptcy Law and would succeed Section 75, which expired March 1, 1949. This new proposal covers farmer debtor relief.

The Senate also passed S. 2234, known as the "Omnibus Bill," providing various clarifying, perfecting and conforming amendments to the Bankruptcy Act. A similar bill, H.R. 5064, was before the House Committee on the Judiciary. Representative Thomas J. Lane of Massachusetts is chairman of the subcommittee considering this bankruptcy legislation.

The Senate also has passed S. 2240, which amends Section 40a. of the Bankruptcy Act providing a fixed salary of \$12,500 per annum for full time referees and a maximum of \$6,500 per annum as salary for part time referees. The companion bill in the House, H.R. 3337, was still in the hands of the committee on the judiciary.

¶ During the consideration of the appropriations bills for the Defense Department, members of Congress received a report from the appropriations committee which cut \$4.2 billions from the amount the Department had requested. This report stated the heavy reduction was made "to shock the people in the Department of Defense from top to bottom into the full realization that

the American people will not tolerate flagrant waste in money and manpower."

When the appropriation bill for the department was up before the House for debate, an amendment to the original bill was voted 168 to 77, prohibiting the department from spending more than \$46 billions in the 12 months starting July 1 regardless of how much cash and spending authority the military services may carry over from its present fiscal year. Another amendment directs that all military procurement agencies make their purchases from among American-made goods.

As the members of the House worked toward a final vote on its appropriation bill it seemed quite evident that the Administration and the various bureaus were called upon to travel a rocky road before they could reach a determination as to what Congress would provide in the way of funds.

¶ ACCEPTANCES are being received this month for construction of new television stations with the de-icing after the 3½-year freeze. While there would be channels for 2,000 stations, costs and other factors are considered likely to limit to a dozen this year's additions to the 108 stations in operation.

¶ WITH THE SWING toward a buyers' market, the slowing of new auto purchases accompanying the authorization of manufacture of 1,050,000 cars, predictions that decontrol of steel and copper by next January would be justified by supply. The Federal Reserve Board suspended Regulation W control over installment buying of consumer goods, among them automobiles, furniture, television sets, refrigerators and other household appliances. It also removed all regulation W requirements from consumer articles costing less than \$100.

Earlier the Board had lifted the requirement for a ten percent down payment on home repairs, but stipulated that payments must be completed within 30 days.

The Board suspended the credit restraint program which had placed voluntary restrictions on borrowing by business companies.

Nevertheless, the Board urged congress to continue its authority to regulate consumer credit.

¶ RESTRICTIONS have been removed from the use of tetraethyl lead fluid in auto gasoline.

¶ LIFTED: inventory controls on wood pulp, hides and skins, quebracho, and 25 chemicals, among them methanol, plastic type nylon, aniline,

"CERVICAL VERTEBRA"

The next time some one criticizes the lengthy verbiage of insurance policies, suggest they try this one on for size! According to the Wall Street Journal, it's the O.P.S.'s 189-word "guiding definition" of a chuck roast:

"Regular chuck means the portion of the cross-cut chuck remaining after the severance of the foreshank and brisket from the cross-cut chuck, and containing most of the blade bone (scapula), part of the (humerus) arm bone part of the five ribs (1st to 5th inclusive), that section of the backbone attached to the ribs and the neckbone (cervical vertebra from 1 to 7 inclusive), which portion shall be obtained by a cut through the cross-cut chuck made in a straight line perpendicular to the contour of the outside or skin surface of the cross-cut chuck (thereby separating the brisket and foreshank from the cross-cut chuck) starting at a fixed point on the inside of the fifth rib determined by measuring off ten (10) inches along the 5th rib in a straight line from the center of the protruding edge of the 5th thoracic vertebra, continuing in the same straight line to the tip of the forward end of the breast bone (forward end of the 1st segment of sternum), and passing through the (humerus) arm bone in the same straight line to complete the cut."

No wonder there's so much *beefing*. We don't mean horsemeat—perhaps horse feathers.

malic anhydride, quinoline, glycerin, carbon tetrachloride, styrene; tightened are controls on certain other chemicals including pine oil, acetylene and butadine.

☐ THE RATE of write-off of capital invested in productive equipment should be optional with the manufacturer rather than extended over 20 to 25 years as the tax law now stipulates, L. D. McDonald, executive vice president of Warner and Swasey Company, Cleveland, told a Senate small business subcommittee.

☐ AN END to frauds by Canadian residents against U.S. citizens, with extradition to the United States for trial, is the aim of an international convention ratified by the Senate.

☐ A CONCESSION of \$9 is made by the Government in a requirement that corporations report dividend payments of \$10 up, instead of the old beginning level of \$1. Before last September it had been \$100.

☐ BUYERS of less than 6,000 pounds of pig tin a month now must certify that their orders each month do not exceed 90 per cent of their average quarterly consumption during the first six months of 1950.

☐ GIVING as its purpose the conservation of manpower, the N.P.A. ordered manufacturers not to use more than one coat of primer or sealer or more than two coats of paint, lacquer or enamel on tools. Prohibited was the use of any filler except for serious cavities.

☐ MORE THAN HALF the plant expansion authorized under the defense set-up to the end of 1951 had been finished by April, said the D.P.A. after a survey of 4,888 expansion projects which had been allowed fast tax write-offs.

☐ MORE ABOUT POTATOES. White seed potatoes have been placed under retailer and wholesaler ceilings by the O.P.S.

☐ TAX DEDUCTIONS for expenditures for research and development still have the blessing of the Internal Revenue Bureau but not the buildings and equipment needed for the research if adaptable for other uses.

☐ APPLE PROCESSORS were given permission to raise ceiling prices 11 to 55 cents according to variety and size of the finished product.

☐ THE O.P.S. has restored to retailers the authorization to sell beef carcasses, sides or quarters if they did so before April 30th last year.

☐ REGARDLESS of percentage of protein in the products, sellers of corn oil cake, flakes and meal were granted permission to charge a \$64 ceiling;

GOLDEN GOOSE—A FABLE!

The golden goose of wage and price control—golden for the holders of bureau power and jobs—will continue to lay its eggs until the elections, at least, with extension voted after the expiration date of the current law the 30th of this month, Washington believes, at this writing. And this because the vociferous critics in Congress are themselves for the most part afraid to let go—politically.

With below-ceiling prices in the fields of meat, clothing, cotton and woolen cloth, furniture, television sets and whatnot, the eggs give forth a nostalgic aroma. American military folk who were quartered alongside Russians in World War I recall how these Red officers left eggs on the window sills for aging before eating.

Meanwhile the geese themselves cackle their refrain—many thousands of them—over radio, on billboards, in friendly newspapers, that without the O.P.S. the nation is doomed.

“... and men have lost their reason.”

the protein content previously had to be at least 20 per cent to avoid a lower ceiling. The 20 per cent protein minimum requirement still held for corn gluten meal and feeds.

☐ NEW CEILING PRICES set by the O.P.S. for perishable bakery products were 16 per cent higher than in the 1949 base period.

☐ A NEW CEILING price regulation, No. 105, covering a number of items in used industrial and construction machinery, but not used farm machinery or machine tools, may make a slight increase in ceilings for some machinery dealers, reductions for others. The order supplants ceilings for individual dealers with uniform prices based upon those for new machines.

☐ FRUIT AND VEGETABLE canners no longer may use competitors' prices as ceiling bases, Harold Leventhal, O.P.S. chief counsel, held in an interpretation of C.P.R. 55 and 56. Canners who lacked base period prices for comparison may now work out their own ceilings.

OFFICIAL TEXTS—of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.

Should Selling Staff Collect Accounts?

Sales Executives

WE STARTED something! When CREDIT AND FINANCIAL MANAGEMENT asked credit executives to debate-in-print their views on the question of collection of accounts by salesmen, the response was immediate, not only in numbers participating but in the wealth of arguments advanced.

But that's only the half of it. When the sales managers learned of the debate they raided the credit managers' desks for copies

of the March issue—and demanded the right to speak for themselves. We obliged, and this is their day, with letters from as far away as Honolulu.

The results show the sales executives as divided in their convictions on the subject as were the credit executives. Sales managers leaned very slightly toward the negative but not enough to warrant other than a decision that the vote was a tie. Batter up!



Salesmen in Best Position To Collect Such Accounts

F. W. KRUEGER

*Aircraft Service Sales Manager,
Bendix Products Division of
Bendix Aviation Corporation,
South Bend, Indiana*

WE BELIEVE our sales personnel can collect past due accounts without jeopardizing our relations with our customers.

Our sales outlets are selected after careful investigation, which includes a study of their credit positions. No company is selected without having our credit manager's approval. Our sales representatives, on finalizing these appointments, stress our credit terms.

This sales representative is the man our customers contact whenever they have a problem pertaining to our products. He is able to help them plan inventories and sales programs, since he knows their financial limitations, if any, and can keep from overselling them.



Training Salesman in Credit Would Add Company Profit

WILLIAM S. WILLIS

*Supply Sales Manager,
The Hawaiian Electric Supply
Company,
Honolulu, Hawaii*

IN GENERAL I believe salesmen should assist the credit department in collecting accounts. The wholesale salesman, in calling on customers at frequent intervals, gets to build up a very personal relationship and in most cases is quite familiar with the dealer's operations. In many cases he therefore is closer to the dealer from both personal and business standpoints than the credit department can be.

However, a lot depends on the individual salesman. Some salesmen have the ability to approach the customer on a businesslike basis to ask for the payment of old accounts and to keep him in a healthy credit condition so he will continue to be a source of revenue to the house and to the salesman.

In many cases the salesman is able to bring information to the credit department that may temper its judgment to force the dealer to pay an account that is only slightly past due. It seems to me that the credit department could well afford to spend time training salesmen.

No order is good without assurance that the account will be paid. An embarrassing situation many times is avoided if the salesman, when he is soliciting an order, knows the paying ability of the customer and takes proper precaution in accepting an order which may have a doubtful credit risk. Some salesmen are more capable in performing this function than others, but I do believe if more training were given along these lines a higher percentage of salesmen would be good collectors as well as good salesmen.



Salesmen Are Genuine Help Making Limited Collections

J. C. STRECKER

*District Manager,
Major Appliance Division,
General Electric Company,
Chicago, Illinois*

THE VITAL importance of credit to sales, making one indispensable to the other, has long been accepted. The absolute need for close cooperation between the two departments has been established as a "must."

Assistance to the credit department by salesmen is demonstrated daily in many ways, one being help in collections.

While as a broad policy it would not be desirable to designate salesmen as collectors, they are fundamentally good businessmen and have a keen appreciation of the importance of credit in business. Their participation should be largely a matter of degree depending in extent on the type of business, the location of accounts, the terms of payment and numerous other factors.

In a vast number of businesses of all types and sizes, salesmen for many years have been participating in the collection of accounts. The extent to which this practice prevails certainly testifies to its advantages.

In some fields salesmen make daily collections of regular paying accounts on current items. At the close of the day, collections and new orders are sent to their headquarters. In other cases, their activity is limited to

(Concluded on page 25)

Present Rebuttal

—And Argue for Both Sides in Debate



Separate Functions Calling For a Close Understanding

HERBERT W. CLOUGH
Vice President,
The Belden Manufacturing Company,
Chicago, Illinois

THE PRIME function of a successful salesman is to work with the purchasing and technical staff of customers and prospects. He should devote his entire energy to the problem of selling the right material or merchandise to each customer. Except in the case of small companies he probably will have no contact with the company treasurer.

If a credit problem develops, the salesman should promptly learn the conditions so that during the period of adjustment he can go slow on pushing for business or even discontinue calling.

If the customer in credit difficulty is an account the salesman has worked with for a long time, there is no reason why he should not talk to his friends in the company about their problem. Information gathered through such a discussion may prove very helpful to his firm's credit manager. This type of contact should, in my opinion, be initiated by the salesman.



Salesmen Not Expected to Initiate Collection Actions

JOSEPH W. POWERS
Vice President and
General Sales Manager,
The Powers Regulator Company,
Skokie, Illinois

THE ART of collecting does not seem to be a natural talent with our salesmen, and we have considered it unwise to compel them to try to acquire it.

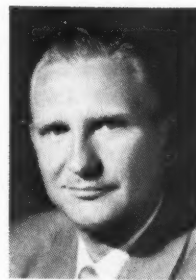
We insist upon cooperation between the sales and credit departments but it is the responsibility of the credit department to determine the timing and course of action. The approach to the collection problem is one of "let's try to have our cake and eat it too."

Our salesmen receive copies of all correspondence about collections with their customers but they are not expected to initiate any action.

If Credit wants assistance, it must specifically ask for it and clearly define the form of it. Sales is, of course, expected to volunteer information.

They're Different "Breeds" But Should Work Together

CARL D. FLINN
Sales Manager,
Arden Farms Company,
Los Angeles, California



CAN two parallel lines ever meet? Euclid says no—but we can bend 'em a bit, can't we?

Salesmen and credit men are different "breeds."

A salesman is a visionary, an enthusiast, a deal-closer, a diplomat, an explosive bundle of humanity whose zealotry should not be tainted by the conservative aspect of credit problems.

A credit man essentially is a cautious individual, a suspicious person, a conservative, an analyst, a diagnostician, a realist, a factual person, and a man of firm convictions.

The desire of the salesman to sell more goods has created credit problems, credit jobs and credit organizations. We should still be doing business as it was done before the turn of the century if it were not for an inherent American desire to build great organizations under the free enterprise system in these United States.

But, to get to the point: In my opinion salesmen should not be collectors. They should, of course, be schooled in proper evaluation of accounts, paper procedure for setting up accounts, and should have sufficient business acumen not to set up "hair-brained," unrealistic credit situations.

Salesmen are only human, however, and should not have their enthusiastic sales pitch impaired by mental credit hazard. It is to be assumed that firms in business can pay for their purchases and have the desire to do so, unless credit history and facts are to the contrary.

Credit departments should do their own routine collecting. Of course, there are circumstances when deals become "sticky" or when certain customers seem to be allergic to collectors. Then the man who makes the sale should be responsible for collecting. I should like to keep my salesmen in the position of being reservists in the corps of collectors—to step in to soothe the hurt feelings of a customer when the situation arises. If a salesman is put in the position of being a collector, there is no one left in reserve to send out to keep the account on service in the event of an impasse between viewpoints or personalities.

In my opinion "salesmen are salesmen" and "credit men are credit men." The two parallel lines never can really meet, but we can bend 'em a bit to bring harmony into working agreement and procedure.

TRENDS — —

IN BUSINESS
AND FINANCE

Handouts Abroad Won't Do It

Twenty-four critical-designated metals and minerals must be obtained abroad in whole or in part, as American industry's dependence upon foreign sources of raw materials increases, but "to spend public funds for the sole purpose of subsidizing export sales would be but a wasteful drain on our economy," says William S. Swingle, president of the National Foreign Trade Council, Inc.

The answer? "The one way to move forward economically is through freedom for enterprise and utilization of private initiative, private funds, private responsibility, and private profit," Mr. Swingle told the Chamber of Commerce of New Orleans.

Underdeveloped countries, sources of many materials, should heed the warning in what Eastern Europeans are discovering from Russia's business terms, that they are being "caught in a slow economic death squeeze," declared the speaker. Free countries therefore should welcome private arrangements with American business, he said, but America should adopt a more consistent attitude.

To Be Or Not to Be Stable?

Unstable equilibrium or stable disequilibrium? A distinction with a bit of difference, the Cleveland Federal Reserve Bank indicates in its Business Review, noting a "continued movement toward a better balance between the forces of inflation and deflation, prices and production, supplies and purchases, investment and saving."

But—and a large BUT—"the pundit who would aver that the resulting equilibrium could no longer be disturbed by numerous elements, both known and unknown, would be foolhardy in the extreme."

A Means to What End?

Somehow, clubbing crime over the head with taxation doesn't jell with us any more than stabbing legitimate business in the exchequer with confiscatory levies. Granted: both seemingly increase the tax yield, up to a certain point. But there the parallel ends. Taxes won't solve crime, de-

MISREPRESENTATION

A Chicago girl sued for annulment of her marriage on the grounds of fraud. She said her husband pretended to be a \$40-a-day bricklayer when he was, in reality, only a banker.

—Swing

spite the sentencing of a few Al Capones for income tax dodging and the drying up of some bookie joints for fear of exposure by required licenses. Killing business incentive and plow-ins isn't exactly the ideal modus operandi for long-run revenue records, nor is impulse-seizure of private industry. Perhaps the memories of government by favoritism-at-a-price are too vivid.

What brought this on was the word that the U. S. Supreme Court had ruled that money obtained by distortion was subject to the federal income tax. To which the minority retorted that such a move might be a means "to give Washington more power to punish purely local crimes."

And the End Is Not Yet

While President Truman was telling correspondents at his press conference that he had the authority to seize newspaper plants and radio stations, the board of directors of the National Dry Goods Association was adding its official voice to the gale of protest against the commandeering of steel. By resolution the directorate urged legislation specifying that the power of seizure "rest solely with Congress" for use in only "grave national emergency," barring the Government from changing employment terms during such seizure, and prohibiting the wage stabilization board from handling any labor dispute cases.

Several impeachment resolutions were introduced in the House. The Senate voted to prohibit the financing of Government operation of the steel industry with funds carried in the deficiency money bill but failed for lack of a switch of four votes to get the two-thirds majority to cut off the use of any federal

funds for the purpose. Action on wage-price control extension had been sidetracked while senators tossed oral hot rivets across the aisle. Results? A Senate "Naughty, naughty" to the White House, otherwise nil.

Improving Analysis of Costs

IN TOO MANY COMPANIES the allocations of non-manufacturing costs in a few broad classes are blacking out the information that management should be obtaining, says the National Association of Cost Accountants, summarizing the results of interviews with 70 companies on the assignment of such costs to territories and other segments.

Those concerns which have advanced farthest in methods analysis, with resultant benefits, follow these procedures: (1) costs are charged directly, by coding and classification, to products, territories and other segments wherever practicable; (2) functions have been defined to include like activities and eliminate arbitrary allocation of indirect costs; (3) effort rather than actual results determines allocations of order-getting costs, and permits the use of budgeted sales or budgeted distribution of salesmen's time as bases for allocating related costs; and (4) differences between costs and income margins are recognized as sufficient for deciding between alternatives.

Credit Cart Before the Horse

A TOPSYTURVY CREDIT problem in Western Germany, precipitated by price control of finished products, with a scarcity of mortgage money and investment capital, is driving the basic coal and steel industries into forced loans from non-controlled consumer goods businesses, the while the Allies shut out the Krupps and other large operators.

Tobin Predicts More Records

SECRETARY OF LABOR M. J. Tobin predicts 1952 will wind up with record-setting new maximums of production, saving and spending, even after the 1951 all-time high marks in each of these categories, 10 per cent above 1950 and 5 per cent over the record 1944.

Greater Outlay for Research

DOLLAR EXPENDITURES for research and development will rise 10 to 25 per cent this year over 1951, in line with the trend last year, says the National Industrial Conference Board following a study of 125 manufacturing companies, though sales increase kept ahead of research outlay. One company negotiating a Government aircraft contract expects to make a 280 per cent higher research expenditure than it did last year. A turn to fundamental research, new product and product development study was reported by half the companies, while others were giving more attention to applied research and adaptation of product.

Burs in America's Tax Hide

Corporate and personal income taxes have raised "an extremely dangerous problem for which there must be an answer in the near future before the 'breaking point' is actually registered," says *Commercial West Magazine* of Minneapolis, Minn., and adds that state revenue demands are another "bur in the tax hide."

The publication quotes the question raised by Henry H. Heimann, executive vice president of the National Association of Credit Men,

"Is your husband's business prosperous?"

"He must be taking in lots of money—he told me they had appointed a receiver to assist him."

—Anonymous

in addressing the credit conference of the American Bankers Association: "If business must hand over 70 cents in cash out of every earned dollar to the government, how can it reserve a sufficient sum to maintain its equipment, expand its plants and keep up the progress of industry?" And C. Francis Cocke, A.B.A. president, summed up the nation's predicament in five words: "We are spending too much."

Wholesale Sales vs. Retail

WHOLESALE SALES "have gained relatively more than retail sales since the war," the National Association of Wholesalers observes in a brochure graphically illustrated. The publication adds that the actual number of wholesale establishments increased by 40,000 (20 per cent)

No public man can be a little crooked. There is no such thing as a no-man's land between honesty and dishonesty.

—Herbert Hoover

between 1939 and 1948, whereas the number of retail units showed no gain in that period. Two-thirds of the wholesale companies operate only one unit establishment.

Without Arithmetic It's Rosy

THE MAN WHO SOLD his house because he had an offer he "couldn't afford to pass up"—and then had to ante double that profit to find another place to live—should move over and make room for another rose-spectacled victim of this wacky economy. The newcomer is the one who pats himself on the back over his salary raises without doing a little mental arithmetic and comparing today's worth of income with pre-war, say 1939.

To be as well off as 13 years ago, say the business research staff of the General Motors Corporation, the \$5,000-a-year man of then needs a \$11,500 salary now; the \$10,000 man of 1939 should be getting \$25,000; the \$25,000 pre-war income would have to be close to \$100,000; and the \$50,000 man of 1939 has advanced no farther than the squirrel in the cage unless he gets \$365,000. The \$4,000 man of 1939, to be sure of the retirement income he then envisioned, would need \$120,000 in the bank at 65.

The figures present a challenge to return to the courage and work-willingness that made America great, and avoid as a plague the wet-nursing tactics of Government. Even Paul Bunyan would have a job spanning Washington 1776 and Washington 1952.

Investing in Realty Mortgages

FINANCING of real estate mortgages attracted \$5 billions of life insurance funds last year, says the Institute of Life Insurance, raising the total mortgage financing by life companies to almost \$19½ billions, under 2 million individual mortgages.

President Holgar J. Johnson of the Institute sees the public less conscious of the inflation danger than a year ago and predicts purchases of new life insurance in 1952 to exceed the total of the last two years, which in turn was triple that of a decade ago.

In This Corner: Cosgriff

THE END IS NOT YET, in the feud of Walter E. Cosgriff, Utah banker and former director of the Reconstruction Finance Corporation, started with P. A. Delano as controller of the currency. Mr. Cosgriff wants the House-Senate committee inquiry on the powers of the Federal Reserve system broadened to check up on the controller's authority over national banks.

The first tussle was over the reorganization of a bank in Wyoming. Mr. Cosgriff said then that incompetent examiners representing the controller couldn't find anything wrong, and that a year after he had reorganized the institution so that "it is today one of the outstanding banks of western Wyoming," the same people "were back telling me I didn't know how to operate the business."

Came another set-to when Mr. Cosgriff undertook to save the Continental National Bank and Trust Company of Salt Lake City from "harassing" tactics of the U. S. Con-

It's enough to give a lawn a nervous breakdown. The agricultural experts are contriving new fertilizers to make grass grow faster, while U.S. Rubber is developing a chemical to make it grow slower.

—Changing Times

troller and applied to the Utah banking department for a charter to change the Continental to a state bank. Mr. Cosgriff challenged the authority of Mr. Delano to dictate the bank's capitalization or other policies.

Whatever the merits of this case, the complaint has a familiar ring. When the twisted needle of bureaucracy, gouging the record of business, has ground out the grooved repetitive raspings sufficient times so that the public really hears, perhaps it will lift that arm of un-American interference, and dispose of it for good.

Sees Peril to Capital Investments

CAPITAL INVESTMENTS of textile mills are imperiled by "confiscatory taxation and antiquated and unrealistic depreciation allowances," William H. Ruffin, president and treasurer of the Erwin Mills, Inc., and chairman of the National Association of Manufacturers, "told the Association of Cotton Textile Merchants.

Ernest A. Rovelstad

OUR MOST PERPLEXING CREDIT PROBLEM

A Series on Management at Work

THE following set of circumstances fell into my lap when I had had considerably less experience than now. However, the situation could be repeated today, so I recount it with the thought it may benefit junior credit men.

We entered into a sales contract in late fall to provide cement for a state highway department paving project. Grading was to be done the following spring, the paving in June.

The contracting firm had years of successful operation, a \$500,000 rating. Trade reports gave a clear picture. The senior partner was a director in a highly respected bank in a big industrial city. Our company wanted the business, and here was our first sale.

When paving began, shipments started on almost the first day of the month, and were completed the third week.

Selling terms provided a cash discount from invoice date. I received the statement at the end of the month, because the account—\$25,000—was past the discount date, and firms rated

like this one just do not let discounts go by.

Contact was a little involved, with our office in one state, the customer's in another, and the job in a third. Quick investigation showed the firm had run into a lot of financial difficulty, most of it in the last six or eight months.

LADY LUCK TURNS AGAINST HIM

On the paving job, \$80,000 was due suppliers. The state owed the contractor up to \$90,000 on work estimates.

Our contractor-customer had entered into a contract with another state for construction of a bridge, sublet it, paid the sub-contractor. Then the latter went into bankruptcy, leaving many bills unpaid, and the prime contractor had to pay up to \$40,000 of bills for materials.

Another involvement was a large waterworks project, in which an unstable soil condition was encountered. Litigation for payment of additional construction cost resulted in a decision against our customer, to the tune of \$250,000.

The final straw was a development in a large grade separation project involving federal funds and taken at a contract price of more than \$1 million. Imposed was requirement of higher labor rates, apparently overlooked or unknown. This resulted in a heavy loss.

It was learned that an attorney in the vicinity of the paving project we had served had received four or five accounts for collection action against the contractor. There were rumors of an involuntary petition of bankruptcy.

LIEN KILLS BANKRUPTCY THREAT

These creditors, and the attorney, knew the contractor still had over \$90,000 due from the state. I went to see the contractor. We argued different plans. Finally I said we were going to file a lien with the state, impounding all money due on the job. We pointed out that such action immediately would kill the threatened



J. C. HOFFMAN
Credit Manager

Huron Portland Cement Co., Detroit

bankruptcy action by removing the money from reach, would mean at least six months delay before the state could disburse the money, and would give the contractor an opportunity to work unmolested to clear his other jobs and pay off many lesser creditors. I was roundly denounced, but stuck to my decision.

Two other principal suppliers on the paving project immediately followed our action and filed liens also. Thus the three major accounts against the job—cement, steel and gravel—had stepped in on a lien basis. These accounts represented such a high percentage of the total indebtedness outstanding against the project that our form of action could not be changed by other creditors.

THE PROOF OF THE PUDDING

We received our money in full about eight months after we filed. So did the other creditors. The contractor received the difference—the amount over and above the liens filed. Meanwhile he had been able, as predicted, to settle most of his obligations on the other jobs.

Now for the final result. Our company felt pretty good about escaping what had looked like a certain heavy loss. The senior partner (contractor) called long distance to thank us for taking the course we did. Soon the

(Concluded on page 27)

J. C. Hoffman has been with the cement industry since 1925, first with the Portland Cement Association and the last 21 years with the Huron Portland Cement Company, which operates 13 plants in the Great Lakes area.

Born in Kalamazoo, Mich., he was graduated from Michigan Business and Normal College and spent several years in industrial and construction work.

In the Detroit Association of Credit Men, after terms as chairman of the Interchange, Adjustment Bureau and membership committees, he became association president last month.



SUIAP

*handles tripled workload
for Peter Paul of Naugatuck*

"Yes, SUIAP handles our tripled accounts receivable workload with no increase in personnel," reports H. G. Kazanjian, Treasurer, PETER PAUL INC., Naugatuck, Conn., largest producer of coconut candy bars and the largest single user of coconut in the world.

The success of Peter Paul's *Mounds* and *Almond Joys* has been a sensation of the confectioner's trade. When consumer demand multiplied their accounts receivable problems, Peter Paul switched to SUIAP *ledgerless*, visible accounting.

The result... accounts are always up-to-date, collections are easily handled, credit authorizations are simple routine. *And, no additional personnel were required to take care of the stepped-up workload!*

FAST, SIMPLIFIED POSTING

With SUIAP, "posting" is just a matter of dropping an invoice in a convenient, visible, account pocket. The Graph-A-Matic signal on the margin

shows—instantly—what accounts need follow-up—giving *positive control*, with *less clerical work* than ever before!

PROTECTION AGAINST LOSS

To protect these vital records, Peter Paul Inc. housed their entire accounts receivable system in Remington Rand Safe-Ledger Trays—laboratory-tested, *certified security* against destruction by fire... "protection-at-the-point-of-use."

REDUCES COSTS—INCREASES PROFITS

The Simplified Unit Invoice Accounting Plan... SUIAP... offers you truly impressive savings—centralization of operations—greater volume *plus* accuracy, speed and simplicity. Get the whole SUIAP story by calling our office near you, or, write Management Controls Reference Library, Room 1192, 315 Fourth Avenue, New York 10.

THE FIRST NAME IN BUSINESS SYSTEMS

Remington Rand

Legal Rulings and Opinions

New Laws for Arizona

Assignment of accounts receivable, liens thereon and the filing of notice of assignment are defined in Arizona House Bill No. 308, enacted by the 1952 state legislature, as an emergency measure and signed by the governor.

Making the notice of assignment effective for one year after filing or renewal, the measure states the procedure to be followed, and explains that if such notice is on file the assignment of an account receivable shall be valid against present and future creditors of the assignor and against a subsequent purchaser or assignee, without actual notice.

Also defined are payment to assignor, recovery of merchandise, cancellation of notice, and fees.

Also passed by the Arizona legislature was House Bill No. 11, which increases from \$4,000 to \$8,000 the homestead exemption from attachment, execution and forced sale.

(Ed.—Companies selling to accounts in Arizona may obtain copies of Arizona House Bills No. 11 (homestead exemption) and No. 308 (accounts receivable) by writing to Frank Hill, Secretary-Manager, Wholesale Credit Association of Arizona, 1017 No. Central St., P.O. Box 2070, Phoenix 2, Ariz., or to the National Association of Credit Men, 229 Fourth Avenue, New York 3, N.Y.)

Grain Firm Ruling Nullified

Federal Judge James W. Morris in Washington held unreasonable a ruling of the commodity exchange commission that the Chicago Board of Trade has authority to require that all persons operating federally licensed grain warehouses in the Chicago area must have storage facilities designated as "regular" before their warehouse receipts are acceptable in satisfaction of grain futures contracts.

In the resultant action which Cargill, Inc., took against the C.E.C. et al, Judge Morris said that the commission's regulation "is neither reasonable nor in conformity with the intent of Congress in either the United States Warehouse Act or the Commodity Exchange Act."

Federal Reserve—Transamerica

In these days of government by whim (President Truman's seizure of the steel industry, for example),

supersession of Constitution by treaty, and bureau "trials," with bureau acting as grand jury, prosecutor, trial jury, trial judge and court of appeals all rolled into one, the 3 to 2 ruling of the Federal Reserve Board against the Transamerica Corporation becomes "one of those things."

The board's decision that the holding company for the Giannini interests was in violation of the Clayton Antitrust Act presented the spectacle of the casting of the deciding vote by a member (R. M. Evans) who had served as the trial judge at an earlier "trial" of the issue and had ruled against Transamerica at that time.

The chain of banks of the Eccles family and the Giannini group are competitors in the same Federal Re-

School boy, in a speech about the national debt:

"It is too bad that future generations cannot be here at this time to see the magnificent things we are doing with their money."

—Anonymous

serve district, and it was Marriner S. Eccles, former chairman member of the board, who originally had pressed the three-year-old case.

Fireworks to come, one suspects, depending upon appeal actions.

Problem of Functional Discount

It's like sprinkling ashes on the ice, sweeping it off, and repeating the process—nobody knows where he'll land. The latest statement out of the Federal Trade Commission, this by Chairman J. M. Mead, that the Commission has not turned thumbs down on functional discounts, is one of several that intermittently have followed, or preceded, complaints and orders outlawing price structures of a functional discount nature, comments Gilbert H. Weil in *Printers' Ink*. Incidentally, Mr. Weil adds that Chairman Mead's words at a convention of the Motor and Equipment Wholesalers Association were so hedged with qualifications that the overall picture was one of warning rather than reassurance.

Blaming the Robinson-Patman Act for sidestepping a clear analysis of

the problem, the writer says the "rule of thumb . . . is . . . that functional discounts can be given where the buyers who get it are not in competition with the buyers who do not get it, or with buyers who get it to a lesser degree, and where giving such discounts does not injure competition with the seller. In all other circumstances extreme caution is appropriate."

Kentucky Amends Liens Act

By amendment of the mechanics' and materialmen's liens act of Kentucky, the law now takes in materials for agricultural usage, including agricultural lime, fertilizer, concrete pipe or drainage tile, crushed rock, gravel for roads or driveways, and materials used in the construction or maintenance of fences.

The amendment increases from 35 days to 75 days the period within which the notice of intention to claim a lien shall be given in writing.

(Ed.—For copies of this amendment write S. J. Schneider, Secretary-Manager, Louisville Credit Men's Association, 320 West Main St., Louisville 2, Ky.)

F.T.C. Acts against Standard

Resistance to a Federal Trade Commission order that the Standard Oil Company (Indiana) cease "discriminatory" price fixing was promised by Thomas E. Sunderland, company general counsel. Mr. Sunderland declared "the right of a seller in good faith to meet the lower prices of his competitors is fundamental in a competitive system" and "we do not intend to yield to this latest 'win at any cost' strategy of the trade commission."

An earlier F.T.C. directive was dismissed by the U. S. Supreme Court after it had been upheld by the Seventh District U. S. court of appeals.

Auto Insurance Requirement

Nevada now requires that any insurance policy issued in that state which does not include public liability and property damage coverage to meet the requirements of the state's motor vehicle safety responsibility law must have the following imprint, in red, on the face of the policy by the issuing company:

"This policy does not fulfill the requirements of the Nevada Motor Vehicle Responsibility Act of 1949."

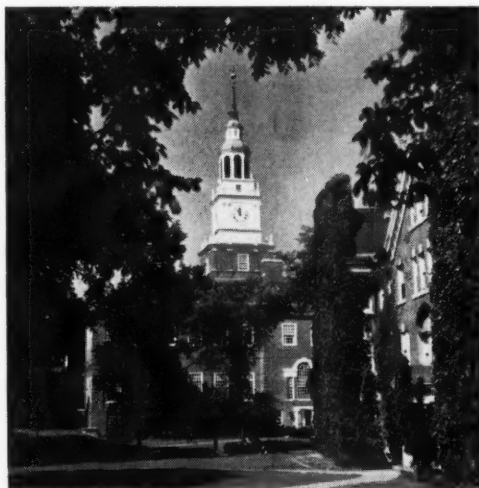
If the original policy is deposited with a vendor or mortgagor, the assured must receive a certificate of insurance bearing the same imprint wherever applicable.

FINANCIAL EXECUTIVES!

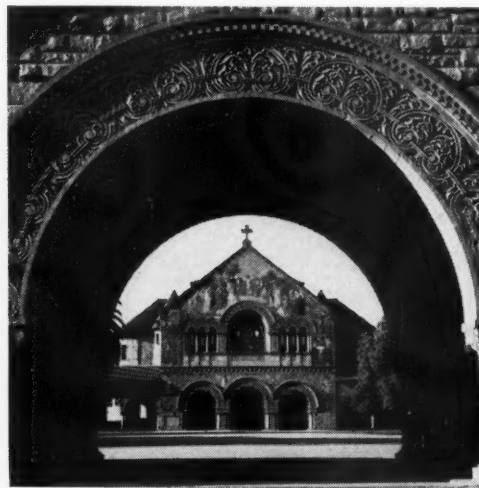
You Should Know These Facts About

the GRADUATE SCHOOL of Credit and Financial Management

SPONSORED by two outstanding Graduate Schools of Business, the National Association of Credit Men, and the Credit Research Foundation, the Graduate School program offers mature, experienced credit and financial executives an opportunity to become more competent and to exchange experiences with seasoned executives from diversified businesses.



Tuck School, Dartmouth



View on Stanford Campus

The two weeks spent each summer for three years in this **PLANNED TRAINING PROGRAM** is an excellent investment for the Executive who participates in it and for the company that makes his attendance possible. The fresh points of view, the broad vision of business problems, and the development training in executive abilities, all contribute to a more competent executive.

The School conducts two identical Sessions, one at **Stanford University** opening July 6th and the other at **Dartmouth College** beginning on August 3rd. You may select the location most convenient and desirable for you.

A new brochure giving full information about the Graduate School of Credit and Financial Management is now available. Fill in and mail the coupon **NOW**.

I am interested in the

☐

*Stanford School
July 6 to 19*

☐

*Dartmouth School
August 3 to 16*

(Please check one)

CARL D. SMITH

**Graduate School of Credit and Financial Management
229 Fourth Avenue, New York 3, N. Y.**

**Please send me the booklet, "What Every Financial Executive
Should Know About The Graduate School of Credit and Financial
Management."**

Name_____ **Title**_____

Firm_____ **Address**_____

CHANGED PROPORTIONS OF BANK ASSETS MAY TEND TO ALLEVIATE A FUTURE DEPRESSION, SAYS JAMES N. LAND

By VICE PRES. JAMES N. LAND
Mellon National Bank & Trust Co., Pittsburgh

THE changed proportions of bank assets may tend to alleviate a future depression. This is borne out by contrasting the total loans and deposits of commercial banks over the period 1929-1933 with the status in early 1952.

The decline in outstanding bank loans which inevitably occurs during a depression tends to cause the depression to "snowball" and become worse. This is because the payment

dollars. While this would be a huge reduction in dollars, it would amount to only about 18% of deposits in existence on January 30, 1952, or not more than half the 37% reduction experienced in the 1929-1933 period. This is because loans are now much smaller in relation to deposits than they were in 1929.

Furthermore, the assumption inherent in the foregoing that a new depression could cause as large a relative decline in loans as occurred between 1929 and 1933 seems open

JAMES N. LAND concluded his academic training with advanced work in money and banking and related subjects at Princeton University, and entered business as assistant economist in the bond department of the Guaranty Trust Company of New York.

His activities in the investment banking business covered a period of 30 years, in which he was an officer of Guaranty Trust, a partner in Edward B. Smith & Co. and Smith, Barney & Co., a vice president and director of Mellon Securities Corporation and a director of The First Boston Corporation.

	Billions of Dollars		
	June 29, 1929	June 30, 1933	Jan. 30, 1952
All commercial banks combined			
Loans outstanding	\$35.7	\$16.4	\$ 57.5
U. S. Govt. obligations owned	4.9	7.5	62.1
Other securities owned	8.8	6.5	13.2
Total loans and securities	\$49.4	\$30.4	\$132.8
Total deposits exclusive of interbank deposits	\$45.1	\$28.5	\$145.0

of bank loans extinguishes money and thereby diminishes the spending stream, with resulting adverse effects on the production and distribution of goods and services. Bank loans are customarily paid by checks or other debits to deposit accounts which automatically extinguish bank deposits, the dominant form of money in this country.

The table and the graph show the changes in proportions that have taken place in the last 23 years.

Between mid-year 1929 and mid-year 1933 loans declined \$19.3 billions and deposits declined \$16.6 billions.

Note—The failure of deposits to decline as much as loans was due at least in part to the fact that a substantial amount of loans passed out of existence not by being paid but by being written off. The writing off of uncollectible bank loans reduces bank reserves or capital funds but not deposits, at least not directly. During the 1929-1933 period the reduction in deposits was nearly 37%. The amount of the reduction in deposits was equal to 46% of the amount of loans in existence at mid-year 1929.

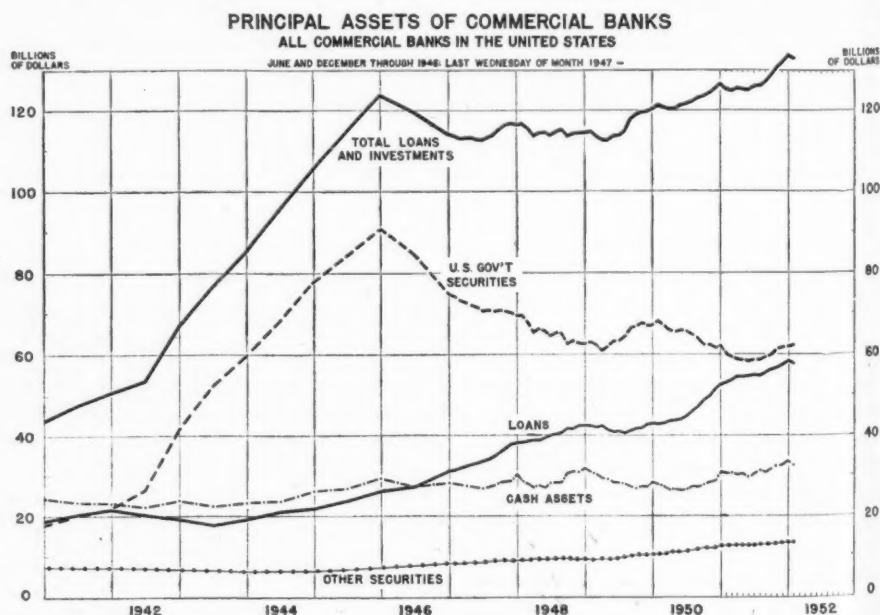
If a new depression should develop, producing shrinkages in loans and deposits of such severity as to cause a decline in deposits equal to 46% of loans outstanding on January 30, 1952, such reduction in deposits would come to about 26½ billion

to question, in view of the fact that loans are now more soundly based than they were in 1929 and are longer in term and therefore less subject to forced reduction.

The foregoing provides a basis for believing that the money supply in the form of bank deposits is much less subject to contraction in the event of a new depression than proved to be the case in 1929, and this in turn constitutes an important reason for hoping that such a depression, if it should materialize within

the next few years, will be less severe than that of 1929-1933.

Conceivably the money supply could be reduced not only by payment of bank loans but also by disposal of securities by banks to non-banks, but this latter possibility is ignored above because there is little likelihood that, in a new depression, banks either could, or would wish to, make any substantial reduction in their total holdings of securities. In the 1929-1933 period their total security holdings increased slightly.





JAMES N. LAND

Vice president of the Mellon National Bank and Trust Company, Pittsburgh, and specialist in public utility securities, Mr. Land, in his article on the opposite page, discusses the possible significance of the changed proportions of bank assets. The graph is from the Federal Reserve Charts prepared by the Division of Research and Statistics.

Architectural Human Relations At Work in New Lever House

With flower garden on the first floor and landscaped terrace on the third, the 21-story Lever House, now in operation at Park Avenue and 53rd and 54th streets, in New York, translates into architectural construction the company's basic theories of human relations down to such details as having the average desk within 25 feet of a window. Private offices have been held to a minimum; some floors have none.

The structure, occupied solely by the company and its four divisions—Lever, Pepsodent, Good Luck Food Products, and Harriet Hubbard Ayer, Inc.—has 130,000 square feet of floor space, allowing for expansion. The exterior is of heat-absorbing blue glass and stainless steel. Above the 21st floor is space equivalent to three stories, for the water-cooling tower, elevator and air conditioning equipment.

Worker Efficiency Needs Good Equipment, Management Is Told

The close ties between modern equipment and improved business methods and personnel training, five contributing factors to individual efficiency, and the place of a health program in any personnel program were among the leading discussion

subjects at a seminar of the Office Management Association.

"Fifty years ago there was one office employee for every 30 production workers," said Ray R. Eppert, executive vice president of the Burroughs Adding Machine Company. "Fifteen years ago that same office worker was able to take care of only 10 factory employees. Today it is doubtful whether he is able to support more than 2½."

Mr. Eppert declared efficiency "our only protection from insolvency and

ultimate extinction" from the scene.

Harry L. Wylie, assistant secretary-treasurer of the Pure Oil Company, emphasized five foundation pillars of individual efficiency: employee ability; work flow and effective routine; good working conditions; inspirational training supervision; and suitable equipment.

The Commonwealth Edison Company's medical director, Dr. B. F. Lounsbury, said employee health is as much a problem of management as other personnel program factors.

IT'S REVOLUTIONARY!

Makes
DRY
PHOTOCOPIES
of anything
instantly!



New, low-cost machine makes photo-exact copies from original letters, forms, bids, contracts, invoices, reports, blueprints—right in your own office.

Here is the first major advancement in office copying in the last 15 years. Can save you up to 80% on your copying jobs! Eliminate costly retyping, handcopying, checking or sending outside for expensive copying service. The Auto-Stat is the first low-cost machine that makes error-proof, legally acceptable, black and white photo-like copies—WITHOUT SLOW, MESSY DEVELOPING, FIXING, WASHING OR DRYING. It's fast—only 2 simple steps instead of 12 required by old methods. Makes prints instantly from any originals—whether printed on one or two sides. Requires no dark room—and any inexperienced clerk can operate it!



NEW! Nothing else like it!
So low cost! So compact!

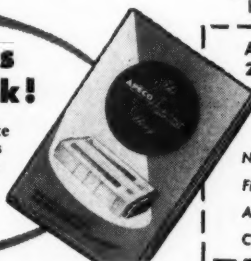
Fits on a corner of any desk . . . priced within the budget of the smallest business. It's portable—just plug in any outlet—and the Auto-Stat is ready for instant operation.

No developing No fixing
No washing No drying
No installation No fumes

Developed and manufactured in the U. S. A.
by American Photocopy Equipment Co.

Read this NEW book!

Pictures and tells complete Auto-Stat story—shows you how you can use this revolutionary new photocopy method.



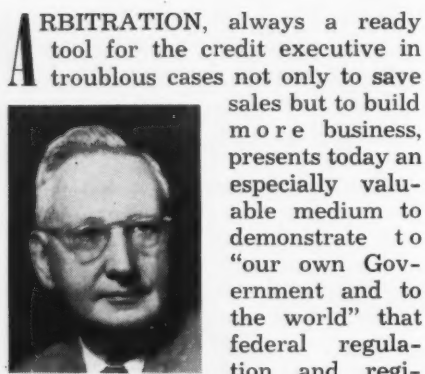
American Photocopy Equipment Co.
2869 North Clark Street, Chicago 14, Ill.

Please Rush me—without obligation—FREE copy of your new book on Auto-Stat—with full details on this new photocopy method.

Name _____
Firm _____
Address _____
City _____ Zone _____ State _____

Arbitration instead of Regimentation

Case Histories of Voluntary System Pitching for Credit



ARBITRATION, always a ready tool for the credit executive in troublous cases not only to save sales but to build more business, presents today an especially valuable medium to demonstrate to "our own Government and to the world" that federal regulation and regi-

mentation are alien to the American way and its democratic processes of voluntary settlement of differences.

"Never in history has there been a greater need for men to promote understanding and goodwill at home and abroad," says J. Noble Braden, vice president of the American Arbitration Association, and "the acceptance of a contract with an arbitration clause is a signal to any credit man that the buyer is a fair-minded individual desirous of developing understanding and goodwill and continuing a customer relationship."

Spearheading his championing of voluntary arbitration with a five-tined argument that it quickly reaches decisions made by men versed in the field of the dispute, avoids the delays and heavy costs of litigation, preserves privacy and promotes goodwill, Mr. Braden proceeds directly to case histories to support each point. (Parenthetically, he emphasizes that an arbitration proceeding is a judicial process, its award as enforceable as any other judgment.)

Didn't Want the Glare of Publicity

Take the matter of speedy settlement:

"A few years ago, when the textile market suddenly softened, a clothing manufacturer attempted to cancel a contract. He claimed that the few pieces delivered to him as the first part of the order were not as contracted for. The merchandise was seasonable.

"The credit man was able to act quickly because included in the confirmation of order was a provision that any contract disputes would be submitted to arbitration. He wrote the clothing manufacturer and demanded the dispute be submitted to arbitration. A copy of the letter was

J. Noble Braden, adjunct professor of industrial relations at New York University where he is on the faculty of the Graduate School of Business Administration, has been active in arbitration work for 29 years and was a special lecturer at the Yale Law School. He is executive vice president of the American Arbitration Association.

Publications: "Problems in Labor Arbitration," The Missouri Law Review, Vol. 13, No. 2, April, 1948, and "Arbitration and Arbitration Provisions," Proceedings of the New York University Second Annual Conference on Labor, 1949, articles in the Arbitration Journal and other publications. Collaborator: "Practice of Commercial Arbitration," Oxford University Press, 1928, and "The Code of Arbitration," Commerce Clearing House, 1931.

filed with the association and a list of arbitrators submitted. A few days later the clothing man got in touch with the credit man at the mill and asked for additional time to return the list. The credit man suggested that if a discussion might lead to anything he would be glad to extend the time a few days for a conference. The time was extended; the conference took place, and the matter was settled. There probably was a little extended dating but the contract was not cancelled.

"Why was it possible to settle this matter so promptly? I suggest it was because, under the rules, action had to be taken within seven days from the submission of lists, and because on that list of arbitrators were clothing manufacturers, woolen merchants, bankers and merchandise men who knew the conditions of the trade. That clothing manufacturer did not want to run the risk of a hearing and have them find he was trying to avoid a legal obligation.

"Compare that situation to a litigation. A complaint would have been

served on the manufacturer. In due course his attorney would file an answer and the matter would be placed on the court calendar for trial. It probably would take two years or more before the case could be reached." (Mr. Braden, addressing the Detroit Association of Credit Men, noted that the Wayne County court was two years behind its calendar, but commented, "There are lots of places in this country where the wait is much longer.")

"Then, when the matter did come to trial there might be difficulty because the salesman might no longer be available, other witnesses might have disappeared, the jury members might have no acquaintance with either the woolen or clothing industries and no understanding of the trade customs or prevailing markets."

\$2 Million Claim Settled in Six Days

Economy of costs as well as time was illustrated in an unusual instance that permitted direct comparison with court litigation, for the case for arbitration originally had been before the New York County supreme court.

"The case involved a claim of \$2 millions for loss of commissions in connection with a fur contract negotiated with the Russians," Mr. Braden explained. The case was tried for six weeks in the trial term. Then the jury disagreed. Counsel and parties, faced with another trial, another six weeks, decided to try arbitration. The case was completed in six days. The major part of the claim was disallowed, but the award did grant about \$100,000. (In the event of disagreement among the arbitrators, the majority would have prevailed.)

"I need not attempt to analyze to credit men the difference in cost between six weeks trial and six days arbitration. The arbitrators served without compensation. The administrative fees of the association, on a case involving \$10,000, would amount to \$300, and frequently the costs are divided between the two parties. For additional hearing the charge would be \$60 a day."

The mantle of privacy cloaks the affairs of both parties to an arbitration case if they so desire. A court

case, in contrast, is a public record, and the credit standing of any defendant is likely to be reexamined on announcement that suit has been filed against him. Under the association's rules no disclosure is made unless the parties agree the matter is to be made public.

Preserving Good Name of the Company

Mr. Braden presents this case that mirrors the advantages of arbitration in the preservation of privacy:

"A company found a patent was expiring on a process it used to make pipe for oil well casings. Its superintendent, asked to develop a new method and obtain a new patent, said he already had certain improvements but wanted a production bonus method used. A contract was made.

"Complaints came in that the pipe was bursting under pressure. Examination disclosed that in speeding up production to obtain a large bonus the superintendent had dropped certain safeguards in the welding process; a butt-welded joint was being used rather than the safer lap-welded joint. The superintendent, discharged, sued for breach of contract. The company was in a dilemma; if it tried the case in court it would have to submit to public view the negligence which had taken place in its plants and admit it had turned out bad pipe. This would have provided evidence for any users of the pipe who decided to sue. The superintendent was persuaded to arbitrate in order to get a prompt hearing and decision."

Finally, Mr. Braden called arbitration noteworthy in maintaining goodwill. "When two parties are permitted to tell some good listeners, the arbitrators, all details of their dispute without the limitations under the rules of evidence used in litigation, they naturally feel better after they have let off steam, and then do business again regardless of the award."

Illustrating that point he described one of the association's most unusual cases.

"The complaint was that the merchandise delivered was of better quality than ordered, and the buyer, a pie plate manufacturer, wanted an allowance. He had bought a shipload of pulp board from a Scandinavian shipper. When the shipment was unloaded at his factory he found the board thicker than he previously had received. It was necessary to reset the machines that stamped out the pie plates, and to have new crates

(Concluded on page 29)

----- *You can't pay bills
with Receivables*

----- *You can't meet
payrolls with Inventory*

----- *You can't pay taxes
with Fixed Assets*

Managing a business today calls for **more cash**

----- The business and financial press is devoting more and more attention to the growing threat to American businesses—both large and small—resulting from the tightening working capital position of many companies.

----- *Commercial Credit can increase
cash working capital 25%, 50%
or more... usually in 3 to 5 days*

----- If your business can use more cash—if you want assurance that it will be available continuously—get in touch with COMMERCIAL CREDIT. We are confident that we can solve your money problem quickly—whether you are located in Maine or California, whether you need thousands or millions, whether you need it for months or years. No stock or other securities to sell. No new partners. No interference with ownership, management, profits. No preliminary costs. COMMERCIAL CREDIT's one reasonable charge is tax deductible. COMMERCIAL CREDIT's method is practical, tested—*last year manufacturers and wholesalers used it at the rate of HALF A BILLION DOLLARS ANNUALLY*. For quick action, write or wire the nearest COMMERCIAL CREDIT CORPORATION office below and say, "Send information about plan offered in *Credit and Financial Management*." Phone if your need is urgent.

Capital and Surplus Over \$125,000,000

COMMERCIAL CREDIT COMPANY **BALTIMORE 2, MARYLAND**

COMMERCIAL FINANCING SUBSIDIARIES: Baltimore 1 ■ New York 17
Chicago 6 ■ Los Angeles 14 ■ San Francisco 6 . . . and other financing
offices in principal cities of the United States and Canada.

Top Management, Sales and Credit:

A THREE-PLATOON PROFIT TEAM

HIGHEST scores in profitable volume on today's business gridiron are made by the teams that operate a three-platoon system—top management, sales, and credit—with each player a specialist but well-grounded in the duties of his teammates.

An increasing number of companies has come to recognize the functions of the credit platoon in rolling up dollar and volume yardage as an integral part of the selling team, and the clarity of vision of these companies is reflected in their outstanding sales, John G. Neukom, partner in McKinsey and Company, national management consultants, told the Pacific Southwest Credit Conference in San Francisco.

The credit manager who honestly can write an X after each of the following five assertions, said Mr. Neukom, has earned the right to be called a *playing member* of the team:

(1) I have a written credit policy in the hands of, and understood by, our top management and the members of our sales team;

(2) I definitely consider my function as an integral part of our company's total sales operation;

(3) I recognize that I can be of great positive help to the sales team;

(4) I am recognized as a specialist who can and will contribute to sales planning;

THE \$64 QUESTION

"Never before have the viewpoints of the competent sales executive and the successful credit executive been so nearly parallel.

"Today it's a good question whether the credit manager who sees himself essentially as a financial man can measure up to what is widely expected of him."

(5) I recognize that the desire or willingness to pay is more important than the ability to pay in making many credit decisions.

Mr. Neukom's conclusions on the criteria of successful inter-relation of top management, sales and credit personnel for maximum business were fortified by replies he had received from 28 fellow-members of the San Francisco Sales Executives Club to his question: "What can credit men do to be of constructive help to you in building sales?"

"In an unfortunately high proportion of our own better client com-

The credit man with a positive approach to team-mindedness "tries to find prospects and develop profitable business," the sales officers advised Mr. Neukom. "It was pleasant to read," he added, "the number of cases where the sales executives said, 'You should see the fine selling letters that our credit executives write to our customers.'"

Others "pointed out that their associates in credit did an excellent job of suggesting new business opportunities from the credit reports they received and the credit contacts they made showing new businesses that were being started."

SALES VOLUME IS NOT ENOUGH

"Almost every sales manager I know has long since discovered that volume alone is not enough. He must have profitable volume, and that is one reason why it now makes so much more sense for the credit executive to recognize his opportunity to become a playing member of the sales team.

"Their essential objectives are identical—to secure profitable volume, to secure the kind of orders that customers are willing to pay for."

panies," Mr. Neukom said, "the credit policy has not been clearly stated and is not generally understood" by the top management and sales platoons. "It is only natural under those circumstances that the credit manager could not be widely considered a playing member of the team because the basic rule for his phase of the play has never been written."

Several sales executives did report, however, that the credit managers of their companies not only had prepared "a clear and helpful statement of policy,"—not an enumeration of terms—"but had taken the obviously logical step of also stating the objectives that policy intended to achieve."

Applying Talent to Sales Program

The sales executives urged that credit managers "should become sales-minded," not by thinking as salesmen and abandoning the specialized talents and responsibilities of their credit positions, but by recognizing "the opportunity to use their specialized talents and knowledge as an integral part of a sales program designed to achieve a win for the sales team."

Several wholesalers informed him that "their credit managers were regularly responsible for calling attention to new retail outlets before those outlets were known to the sales organization."

Salesmen As Credit Man's Field Force

To some sales executives' proposals that the credit managers have their own field representatives, Mr. Neukom's reaction was that in some cases the idea may be practicable but "it is much more important for the credit executive to recognize that the field sales organization is to an important extent *his* field organization just as it is for the advertising manager and other specialists," and that the credit man uses the sales organization as "his ears and eyes in the field."

One sales executive told Mr. Neukom, "The salesman who knows his customer's credit position and his financial relationships with the company is in control of the situation and has sound customer relations; the man who doesn't have that information is in constant trouble with his accounts. The customer who is paid up will give you an order; the man who owes you a big balance has

three or four reasons for not buying."

"Each important customer," Mr. Neukom suggested, "should have a single basic channel to his supplier through the man who calls on him. The unsatisfactory relationship is one where the customer deals with the salesman for volume, the shipping department for delivery, the credit department for terms, and the advertising department for promotional material."

A threefold credit phase of sound sales planning, according to Mr. Neukom, enters into "improving competitive position, introducing a new line, opening a new market," and the credit policy should line up with all three. When one industry began moving toward a buyers' market and customers wanted to return to LCL buying, a company's credit manager "played ball" with the sales department and "adjusted terms on carload sales to the point that these lots were again advantageous to the trade."

Predicating all credit decisions upon application of a formula to a financial statement is not the sales executive's idea of teamplay.

"A long time ago," said Mr. Neukom, "I learned that desire or willingness to pay is more important in many cases than ability to pay."

It all adds up to this, Mr. Neukom said: "Credit executives who are playing members make their great contribution to the American economy not because they reduce losses but because they have within their control the power to greatly increase profitable sales if they will only do so."

JOHN G. NEUKOM, graduate of the school of business at the University of Chicago, joined McKinsey and Company, nationally known group of management consultants, in the Chicago office's marketing staff in 1934. After war service in the Office of Price Administration in Washington as director of the fuel and automotive rationing division and later as director of local board operations, he transferred to the company's Pacific Coast office in San Francisco, in charge of marketing, organization and personnel.

In the San Francisco Sales Managers' Association Mr. Neukom is co-chairman of the research committee, a member of the ways and means committee, and is on the board of directors.

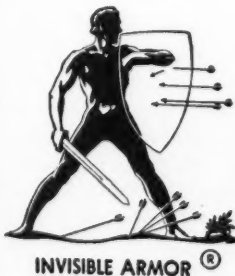
Gentlemen, let's talk it over



The lack of fidelity coverage, or inadequate coverage, may cause even long-established companies to fail. Trusted employees, hard pressed to meet a crisis, are frequently tempted to take "the easiest way of obtaining funds."

Credit managers today are more aware than ever that the protection of adequate fidelity coverage in a sound, reliable company is of vital importance when considering the desirability of applicants for credit.

There is no better endorsement for any business concern's judgment than dishonesty protection in National Surety Corporation.



**NATIONAL SURETY
CORPORATION**

4 Albany Street, New York

Place to Protect Is Where Fire May Start

The Big Seven of Absolute Protection

FIRE INSURANCE cannot be considered apart from fire protection—not if a company is interested in holding down costs—and the place to protect is the place



where a fire may start with ruinous and costly results, Robert A. Joyce, advertising director of the "Automatic" Sprinkler Corporation of America, told members of the

Youngstown Association of Credit Men at a dinner meeting.

Installation of protective equipment is a three-way damper on fire losses: it not only minimizes damage and safeguards building, production, inventory and personnel, but also effects a considerable lowering in the amount of overall insurance premiums, the credit men were informed.

In most cases, adequate protection would more than pay for installation costs—and business too often is not getting the protection it actually does pay for, according to Mr. Joyce.

Seven economic advantages of absolute fire protection were discussed:

- (1) "Protection of human life;
- (2) "Reduced extent of damage by fire;
- (3) "Reduced fire insurance premiums;
- (4) "More insurance at no extra cost;
- (5) "Insurance of property not insurable without adequate fire protection;
- (6) "Protection of intangible but vital company assets not insurable under any conditions; and
- (7) "Continuity of business income."

Mr. Joyce turned to cases to prove his point of the savings made by protective insurance. A frame and concrete block building of a paper products company was valued at \$100,000 and its contents at \$130,000. For a ten-year period the non-protected insurance cost was \$42,040. At \$8,950 for protected insurance,

Putting water right where the fire may start is the important advantage in terms of saving costs by installing protective media in offices and plants. And businessmen who think that because of comparatively low combustible factors in their production operations the taking out of use and occupancy insurance is not indicated are missing several bets, says Robert A. Joyce, authority for the following.

the insurance savings were \$33,090. At \$12,956 fixed cost of protection the company saved \$20,134.

A dry cleaning plant's valuations were placed as follows: building, \$50,000; contents, \$50,000; use and occupancy, \$100,000; storage, \$40,000. Ten-year non-protected insurance cost was \$57,441; protected, \$14,640; an insurance saving of \$42,801. At \$7,619 fixed cost of protection, the saving was \$35,182.

A metal working plant's insurance

Robert A. Joyce, whose address to the membership of the Youngstown Association of Credit Men provided a warning to the Ohioans that company policies on use and occupancy insurance too often have not been thought out sufficiently, is the director of advertising of the "Automatic" Sprinkler Corporation of America, which has its general offices in Youngstown.

cost before protection was on \$100,000 valuation for the building and \$150,000 for the contents; after protection, on \$300,000 building valuation, \$200,000 for contents. The ten-year non-protected insurance cost was \$48,500, the protected insurance cost \$4,000, an insurance saving of \$44,500; and after \$39,207 fixed cost of protection, \$5,293. Note that under protection insurance there was three times more valuation on the building and one-third more on the contents.

"Innumerable American properties today have inadequate insurance protection because of inflated replacement costs," the Ohioans were told. "It is estimated that replacement costs of homes and other buildings have increased nearly 30 per cent in the past five years, doubled

in the past ten years. At the same time, many property owners have failed to review their policies and keep their insurance protection up to value.

"I think it is, therefore, obvious that fire protection, by lowering insurance premiums, makes possible the extension of insurance to include coverage not economically practical without it."

Noting that more than 12,000 deaths were caused by fire in 1950, Mr. Joyce declared that "a property owner or employer cannot conscientiously escape the moral obligation which covers the lives and well being of employees, customers or visitors," and those in adjoining buildings. And from a materialistic standpoint, "no amount of life insurance money can compensate for the loss of key business personnel."

Loss of customers' business, Mr. Joyce said, "is perhaps the most devastating result of a serious fire. Experience shows that a large majority of the businesses completely burned out never get back."

He cited these examples: the large manufacturer who cannot wait for the parts needed from a subcontractor whose place of business has burned; the customers who must go to competitors of a producing or selling company for consumer products; the company which because of fire cannot provide the merchandise for the salesmen, distributors or dealers, who must then take on other lines to keep their customers satisfied.

The importance of protective insurance to continuity of income of a company was illustrated by the case of a company making steel cabinets. When a paint fire delayed full production for 28 days, the company, carrying only fractional business interruption insurance, took a

\$15,000 loss of net profit and continuing expenses.

"Insurance can pay for property damage and for a period of lost occupancy," Mr. Joyce continued, "but it cannot buy back lost confidence," particularly in businesses such as hospitals, schools and hotels.

A period of a war economy, with allocations of materials, points up the loss factor, with government agencies often requiring a maximum degree of fire safety by contracting companies, thus shutting out concerns not thus protected, while in "non-essential" businesses "inventories lost by fire may never be replaced."

Then there is the loss of special machinery and equipment which "might well halt the production of an entire plant." Costly delays are caused also by destruction of drawings, plans, research data, engineering data, vital records and customer lists. Mr. Joyce recalled the fire of a year ago which wiped out the Michigan state office building, housing the state library and priceless documents, and depleted the \$1,500,000 Michigan state insurance fund. With the estimated cost of the fire "many times the insured value of the property and contents," Mr. Joyce said, "Michigan taxpayers are actually the ones left holding the bag, since they are having to carry this uninsured loss."

Warning to Black Marketeers

Settling shady transactions in cash—probably \$100 bills—puts no blinders on the Internal Revenue Bureau. A regulation issued by Treasury Secretary J. W. Snyder requires every financial institution "to file monthly reports of large and unusual currency transactions which exceed those commensurate with the customary conduct of the business, industry or profession of the person or organization concerned." A similar regulation, in effect since 1945, required a report on transactions involving \$1000 or more in denominations of \$50 or higher. The new regulation calls for reports on transactions of \$2500 or more involving denominations of \$100 or higher. Reports of all transactions of \$10,000 or more in any denominations also are required.

Employee Handbooks Popular

One hundred companies were represented in an exhibit of employee handbooks conducted the last two months in the Graphic Arts Galleries of the Charles Francis Press, New York City. A booklet, "Opinion-Forming Employee Handbooks," analyzes 90 of them and is available without charge from the publisher.

When
Company couldn't
pay...our AMERICAN
CREDIT INSURANCE did!



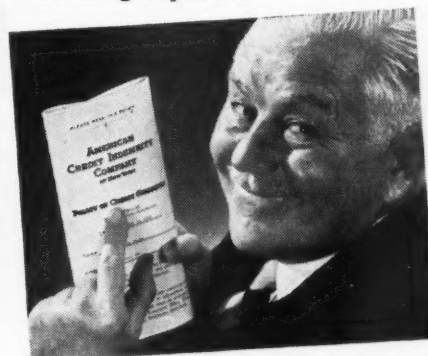
" Company, one of our biggest customers, couldn't pay us because a tornado had wiped out their plant.



That would have put us right behind the eight ball... seriously affected our working capital.



We avoided trouble because our receivables were protected by AMERICAN CREDIT INSURANCE.



It's satisfying to know that AMERICAN CREDIT guarantees payment of all our accounts receivable. "



Send for this book that helps you
plan sound credit policy—gives more facts on
AMERICAN CREDIT INSURANCE

In these times of narrow profit margins, it's important to have AMERICAN CREDIT INSURANCE protecting your working capital. It's important to know, too, when working capital is tight, that AMERICAN CREDIT improves your credit standing with banks and suppliers. For a copy of "Why Safe Credits Need Protection," write AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK, Dept. 47, First National Bank Bldg., Baltimore 2, Md. Offices in principal cities of the United States and Canada.



American Credit Insurance

GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE



A SMALL BUSINESS feat in defense production, the Pryor Manufacturing Company's job of turning out the first B-47 Jet Bomber wheel and brake in six months and seven days, after starting from scratch, is celebrated by (right) M. H. Pryor, president of the subcontractor company; (left) James Pedler of the B. F. Goodrich Company (prime contractor), and the Air-Materiel Command's Lt. Col. Burley (second from left) and Col. Schmitt.

Four Walls and a Will to Do Add Up to a Production Feat

THERE'S a defense production "textbook" in the making for small business—and for Government, too—in the case history of achievement of the Pryor Manufacturing Company of Mansfield, Ohio, for the U. S. Air Force.

Starting with four walls and a will to do, the Pryor company turned out a finished, inspected and accepted wheel and brake for the Air Forces new B-47 Jet Bomber in six months and seven days. How it was done is a story of incisive programming, initiative, and drive, built upon working knowledge, for in the beginning there were neither machines nor machine tools, no skilled labor, power, lighting, steam for processing, not even office facilities.

MANAGEMENT TYPE seeks position covering credit and financial management, industrial accounting, office management, along with treasury work. Heavy experience with national, also medium sized organizations covering retail, wholesale and manufacturing in some thirty states. Analytical, thorough, versatile, intuitive. Salary open. Will locate anywhere. Box 375 FM, Credit and Financial Management.

When the Air Force recommended that prime contractors subcontract part of their military production to other manufacturers located in their areas, the B. F. Goodrich Company at first considered turning to the Barnes Manufacturing Company, but the latter already had 35 per cent of its capacity in the service of other defense activities.

Then Barnes executives thought of revitalizing the Pryor concern, formed in 1942 by the current officials of the Barnes company. Pryor had 30,000 square feet of floor space available, and its background of processing magnesium provided a headstart on simplifying many organizational and operating problems. Barnes offered Pryor experienced personnel and technical knowledge.

Under a tentative contract, officials Pryor, Hout, Nagelvoort and Mintz (see box) rolled up their sleeves at once, enlisted the services of former Chief Engineer Eggleston of Barnes, Production Manager and Tool Designer Loris of Barnes, and K. W. Kraft of Kent, Ohio, administrative vice president with experience in production and procurement in the last war.

When the Air-Materiel Command made available its industrial pool of machines, tool men of the Pryor company covered 20,000 miles digging equipment out of this reserve, acquiring convertible equipment to change single purpose machines to general purpose and hunting complementary jigs and fixtures in the open market.

Meanwhile the Goodrich company was providing detail drawings and other aid, giving Pryor personnel shortcuts through inspection of operations at the wheel and brake plant at Troy, Ohio. Pryor had been at work three months before the Government approval to disperse funds came through. Three months and 10 days later, officers and civilians of the Air-Materiel Command met with executives of Pryor and Goodrich to watch the final processing of the first wheel and brake.

Organization was the secret of the accomplishment by this small company in a small town—organization that included dovetailed cooperation of all divisions of the Air-Materiel Command. When NATC spindles and drill arms were needed in a hurry, the A.M.C. inventory items in storage at the Ford Engine Plant in Chicago immediately were declared excess, and by the following nightfall Pryor's expeditors had them in Mansfield after a rush trip by auto.

The Pryor company's defense program is widening, with steps already taken for expansion of physical operation, personnel increased, and production extended to wheel assemblies for other Air Force bombers, fighters and transport aircraft.

Whatever the previous discouraging experiences of small business in defense work, the Pryor example shows the contribution and satisfaction can be considerable, both to private enterprise and, in light of newspaper reports from Korea, certainly to the military.

FIRST PRESIDENT

Treasurer J. A. Mintz of the Barnes Manufacturing Company of Mansfield, Ohio, who played an important role in the small business saga chronicled herewith, was the first president of the North Central Ohio Division, National Association of Credit Men.

At the organizational meeting in Mansfield on December 9, 1947, Mr. Mintz, as committee chairman, reported on his quarterly trips to Chicago to participate in sessions of the National Equipment and Road Machinery Credit Group.

VIEWS ON COLLECTIONS BY SALESMEN

(Continued from page 8-9)



Collection by the Salesmen Only in Exceptional Cases

R. W. JOHNSON

Director of Sales,
Industrial Gear Division,
Foote Bros. Gear and
Machine Corporation,
Chicago, Illinois

OUR SALESMEN are engineers and their primary duty is to develop business.

We want them to steer clear of any situation which in any way might affect their sales, so we are opposed to the salesmen collecting accounts.

Before a salesman begins active selling in the field, our credit department discusses our public relations policy and clearly shows him all of the things it does to help him get business, keep it and increase it.

We try to instill in the salesmen the same confidence we have in our credit department. We want him to feel that when he makes a sale, the credit department not only will ship the order but will collect the money as well.

Our salesman is always kept apprised of any delinquencies among his customers. The only time he is asked to assist in collections is when it is advantageous to do so and that is the exception rather than the rule.

If an account is in arrears and shipments are held up pending payment of past due indebtedness, we may ask his assistance, especially where a close relationship exists between the salesman and the customer.

The salesman always cooperates on these infrequent occasions because, naturally, he wants the order shipped as quickly as possible.

Our salesmen, free from the worry of collections, are able to concentrate their daily efforts on the thing they are most interested in—SALES.



Train Credit Men in Selling Not Salesmen in Collecting

DONALD SROAT

Credit Manager,
The Hawaiian Electric Supply
Company,
Honolulu, Hawaii

FOR SALES managers and credit managers to differ is as natural as for dogs to chase cats. But when cats chase dogs, or credit managers and sales managers reverse positions, it may be news.

Except for a few unusual personalities in our sales group, I feel that any attempt to make collectors of salesmen will surely injure their sales.

On new accounts we always suggest the amount of business to be solicited and often can suggest a workable approach. When an account starts to slip, we believe in taking the salesman into full confidence and

working out a solution with him. I do not believe, however, in asking him to shoulder collections or any other credit function.

Some of our salesmen are competent to collect and I make free use of their help. However, in general I say it is far better to tackle the problem from the other end—credit men should be trained also to be salesmen.

Could Help Study Accounts But Not Make Collections

J. M. APPLETON

Credit Manager,
Bendix Products Division of
Bendix Aviation Corporation,
South Bend, Indiana



SALES and credit departments can work effectively together in establishing new representation and in maintaining customers' accounts on a current basis.

Sales personnel should not actually effect collections but they are very valuable in determining the reasons for slow payments and in clearing up items under controversy.

The close proximity to distantly located customers and their personal contact with customer personnel allow them to uncover facts relating to delinquent accounts and explain credit department policies and requirements. We feel that sales representatives can, without embarrassment, exert pressure on our customers fully to comply with our payment terms.

The cooperation of our sales department has enabled the credit department to increase our credit extension to many accounts, and thus has helped in our common goal of developing better sales outlets for our products.

STRECKER

(Continued from page 8)

accounts, generally the smaller type whose volume is desirable, his assets very satisfactory, but just slow in his accounts payable. Letters have no more effect than invoices. The friendly, diplomatic request of the salesman often accomplishes the desired result without straining good relations. I have personally witnessed collections by salesmen where the account expressed pleasure in complying with the request.

Salesmen often provide valuable assistance with accounts that are producers but find themselves in financial difficulty. Successful salesmen are alert to the underlying causes. They have a wide acquaintance and knowledge of the local market, which gives them access to information of importance to the credit department.

Action by the salesman often has resulted in aiding the credit department to correct the condition before it can become disastrous. Undoubtedly both credit managers and salesmen could cite innumerable cases where close cooperation has not only prevented the failure of an account but through mutual understanding and aid has restored very desirable volume.

They could also provide case history of accounts

(Concluded on following page)



GRADUATES of the commercial law class conducted by the Canton (Ohio) Association of Credit Men, Virgil Hinckley instructor. E. F. Marlowe is association president. Back row (l. to r.): H. W. Johnson, John Emerick, O. C. Artzner, Shirley

French, Dale Zengler, V. E. Roud, R. E. Schluppe, Instructor Hinton, and E. E. Fogle; front row: G. A. Wheeler, J. H. Dwyer, Polly Beaudry, C. J. DiReinzi, W. W. Tappan, Carl Krause, J. T. Poparad, D. L. Shive and E. B. Schiltz.

MUTUAL AID IN CREDIT AND SALES

(Concluded from page 25)

STRECKER

(Continued from page 25)

whom this mutual aid helped to overcome obstacles in their early days so that they have become most valued producers.

Credit men often are removed from the account by great distance. Many never actually meet the principals of the account personally. A sincere, honest report by the salesman could result in a favorable decision, where the reports through other sources might appear to give cause for hesitation.

Participation in collection of accounts would serve to broaden the salesmen's knowledge and understanding of that phase of the business. It would tend to maintain his interest in the credit status of his accounts and certainly would be of assistance to the credit department. This would add to, rather than detract from, his sales effort.

This mutual trust is bound to result in developing new business and expanding volume.

It is just good sound business practice to have this mutual aid and cooperation between credit and sales. It is bound to result in accelerated growth to their mutual benefit.

BIOGRAPHIES OF THE DEBATERS

JOHN M. APPLETON, credit manager of the Bendix Products Division of Bendix Aviation Corporation, South Bend, Ind., attended the University of Illinois and was graduated in accounting by the Walton School of Commerce, Chicago. In 1944 he was made credit manager, in charge of credits, collections and accounts receivable. In the St. Joseph Valley Chapter of the N.A.C.M. he has served as program and membership chairman, vice president and two years as president.

HERBERT W. CLOUGH, on April 13th completed 30 years with the Belden Manufacturing Company, Chicago. He has been vice president in charge of sales and advertising since 1940. Mr. Clough is a member of the wire and cable industry advisory committee to the N.P.A. and in a similar advisory committee to O.P.S. He is a member of the board of directors of the Radio Television Manufacturers Association and Manufacturers Board of National Automotive Parts Association.

CARL D. FLINN is sales manager of the Arden Farms Company, major dairy firm in the four western states of Washington, Oregon, Arizona, and California, with general offices in Los Angeles. Thirty-seven years old, he has been in sales and business management since graduation from Pittsburgh State College in 1937. Just prior to his appointment as sales manager of Arden Farms, he was president of the Market Wholesale Grocery Company of Los Angeles and Coast Grocery Company of San Francisco.

R. W. JOHNSON, director of sales, Industrial Gear Division, Foote Bros. Gear and Machine Corporation, Chicago, assumed duties as director of sales in 1950, prior to which he was associated with Whitney Chain Company for more than 15 years. He has had 20 years experience in the power transmission equipment industry and has wide acquaintanceship among industrial distributors and manufacturers.

FRED W. KRUEGER, aircraft service sales manager of the Bendix Products Division of Bendix Aviation Corporation, South Bend, Ind., spent several years with the Elkhart Brass Company and the New York Central Railroad in Elkhart, before turning to sales work in 1936, first with the L. C. Smith and then the Royal Typewriter Company.

JOSEPH W. POWERS, vice president and general sales manager of The Powers Regulator Company, Skokie, Ill., has been associated for 25 years with this company, which manufactures temperature, humidity, and air conditioning control equipment, as well as various industrial controls and water mixing equipment.

DONALD SROAT is the credit manager of The Hawaiian Electric Supply Company, Honolulu, Hawaii. He makes limited use of salesmen's help in collections.

J. S. STRECKER, district manager, Major Appliance Division, General Electric Company, Chicago, is now in his 30th year with General Electric, the entire period in the many phases of the domestic appliance business. He has been associated with and has assisted in the training of thousands of successful salesmen for manufacturers, wholesalers and retailers. He is a charter member and director of the Sales Executives Club of Chicago.

WILLIAM S. WILLIS is the supply sales manager of The Hawaiian Electric Supply Company, Honolulu, Hawaii. He favors assistance by salesmen in collecting accounts.

Growing Number of Capital Loans Called Bank Problem

With adequate working capital the "greatest single perplexing question of business management" and signs of "a sizable growth in the number of capital loans in our banks," each bank faces the problem of meeting the recent changes of business practices, writes Carlisle R. Davis, vice president, State-Planters Bank & Trust Company, Richmond, Va., in the *Robert Morris Associates Bulletin*.

Five changes pointing in that direction are discussed: (1) the tax take and increased costs tend toward lower retained earnings than last year; (2) part of the \$23 billions spent for new machinery last year was financed by current borrowings or reduced current assets, and further large capital outlays are in prospect; (3) 1952 may be the year in which "losses will take their toll of the working capital of certain businesses"; (4) slower receivables are indicated; and (5) with a large portion of current assets being financed by accrued taxes, as these tax payments are made there will be more reliance on bank debt, and many of these advances may turn into capital loans.

Therefore, says Mr. Davis, "each individual bank should follow its own credits, watching for declining liquidity, advising against unwise fixed-asset expansion, encouraging equity financing, where possible, and going back to the old, time-honored and wise system of striving for annual cleanup of loans by each borrower."

PERPLEXING PROBLEM

(Concluded from page 12)

contracting firm closed its affairs, the junior partner formed a company of his own, mailed us a financial statement and said from then on he wanted to be our customer. Two of the old firm's superintendents also formed a company to build bridges and likewise declared themselves our customers. And both companies were successful and paid their bills.

Here a quick succession of reverses had wiped out a large and successful firm, with capable men and apparently good management. There is an element of gamble in such a course of action as we took. Much depends on the effects of outside pressures and side issues, and technicalities of law. Certainly some action must be taken. In this case the decisive course was good.



Only the shell of a business

... that's all we had left after fire gutted our files

(A true story based on Hartford File #96B8785)

Last year, we had a bad fire in our warehouse. Our property losses were about what you'd expect—\$28,000 damage to buildings, machinery, and equipment. Fire insurance took care of that.

But the cost of replacing our records...? At first, we guessed \$5,000. But as the total added up... as we started replacing inventory records, blueprints, ledgers, personnel control sheets (*we were only the shell of a business without them*)... that \$5,000 became \$15,000. Then \$30,000. Then \$40,000. Luckily, we had \$25,000 Hartford Records Destruction Insurance. But the rest came hard... it came out of our pocket. From now on, you can be sure our coverage will be *complete*.

What would it cost to replace your vital records?

Probably more—much more—than you think!

So why don't you do the wise thing now: assure their quick, complete replacement or compensation for their loss, in the event of catastrophe, with

adequate Hartford Records Destruction Insurance.

It's good, broad protection. It's low-cost, too.

Ask your Hartford Accident and Indemnity Agent or insurance broker or write us for a sample policy and complete details.

Year in and year out you'll do well with the

Hartford

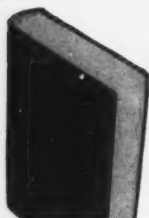


Hartford Fire Insurance Company • Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company • Hartford 15, Connecticut

MAKE YOUR BUSINESS LETTERS MAKE FRIENDS

Just Out!

1. Offers 12 ways to improve your business and your job with letters that promote good human relations. Shows how to measure your letter-writing ability; how to develop an individual style; avoid wasteful words, poor organization, and trite expressions; and write dynamic letters that really sell. Self quizzes provide a measure of your progress. By James F. Bender. 252 pages, \$3.50



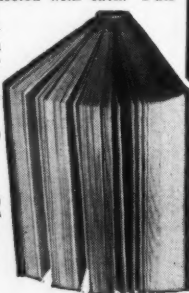
SHOWMANSHIP IN PUBLIC SPEAKING

Just Out!

2. A master public speaker shows you the whole bag of tricks of showmanship, to make your talks lively, interesting, and successful. Not just a stunt book but also a serious treatment of the showman's techniques for "getting the audience on his side." Includes many pointers on delivery; language; use of humor, stories, news, and visual material; audience participation; etc. By Edward J. Hegarty. 236 pages, \$3.75

THE TECHNIQUE OF EXECUTIVE CONTROL

3. Shows the simple methods of executive leadership that produce effective management control. Discusses relationships with subordinates, associates and superiors—points out methods of dealing with problems connected with each. Puts forth varied methods of solving problems of executive leadership, helping you select your own tools for managing employees. By E. H. Schell. 7th Ed. 296 pages. \$4.00



HOW TO DEVELOP YOUR THINKING ABILITY

4. Here are ideas for attaining straight thinking which are embodied in just six "tools." The book fully explains these tools, demonstrates them in action in every day life, and makes them extra clear with 81 amusing but pointed cartoons by Ted Key. You are shown how to apply them constructively in the most important areas of your life. By Kenneth S. Keyes. Business Consultant. 246 pages, \$3.75

SEE THESE BOOKS 10 DAYS FREE

McGraw-Hill Book Co., Inc.
330 W. 42nd St., N. Y. C. 36

Send me book(s) checked below for 10 days' examination on approval. In 10 days I will remit for book(s) I keep, plus few cents for delivery, and return unwanted book(s) postpaid. (We pay for delivery if you remit with this coupon; same return privilege.)

- ☐ 1. Bender—MAKE YOUR BUS. LETTERS MAKE FRIENDS.....\$3.50
- ☐ 2. Hegarty—SHOWMANSHIP IN PUB. SPEAK.....\$3.75
- ☐ 3. Schell—TECH. OF EXECUTIVE CONTROL.....\$4.00
- ☐ 4. Keyes—DEVELOP YOUR THINKING ABILITY.....\$3.75

(Print)

Name

Address

City

Zone

State

Company

Position

CFM-6-52

This offer applies to U.S. only

LETTERS TO THE EDITOR

A SIDELIGHT

"An interesting sidelight on the article in the March issue by D. E. Cross, vice president and treasurer of Belknap, Louisville, Ky., is the fact that they are customers of ours. The furniture retail division of that company handles our line at times, and we know them, of course, as one of those very good credit risks, which you can imagine from the story."

E. C. CORWIN

Secretary-Treasurer
John Widdicombe Co.
Grand Rapids, Mich.

FAVORITE MAGAZINE

"My compliments on the new editorial policy of CREDIT AND FINANCIAL MANAGEMENT. It has always been an interesting publication, but now it is my favorite business magazine. The increased use of pictures and personality items enables me to keep informed about any number of executives whom I have met at different conventions. The May articles are presented in a readable and interesting manner."

E. P. FOLEY, Credit Manager
Republic Steel Corporation
Cleveland, Ohio

DEBATE OUTSTANDING

"The new CREDIT AND FINANCIAL MANAGEMENT is a decided improvement, immeasurably enhanced by illustrations . . . it's my favorite business magazine . . . The debate on 'Should Salesmen Collect Accounts' (March issue) is outstanding. The short, concise opinions of many on such a controversial subject is much preferred to that of a single individual, so let's have more like it."

JAMES I. STANG, Credit Manager
Foote Bros. Gear and Machine Corp.
Chicago, Ill.

ARTICLES BETTER

"The new restyled CREDIT AND FINANCIAL MANAGEMENT is a great improvement. It is much more attractive and the articles are much better. It is my favorite business magazine."

E. N. RONNAU

Assistant Vice President
Cook Paint & Varnish Company
Kansas City, Mo.

ON THE RIGHT TRACK

"After reviewing the new restyled CREDIT AND FINANCIAL MANAGEMENT, and receiving comments on it from others in our organization, it is very apparent that you are definitely on the right track in making same a more informa-

tive, more readable, and a more important magazine in the field of business publications. My congratulations."

EMMETT W. BELOW, Controller
Marathon Corporation
Menasha, Wis.

MANY NEW IDEAS

"CREDIT AND FINANCIAL MANAGEMENT has become quite a popular magazine with me, and I have heard others say the same thing. The articles have been outstanding. I have read the March issue from cover to cover and have obtained many new thoughts and ideas from doing so."

E. J. BITTERMAN

Cashier, Office & Credit Manager
Eberhard Division
Eastern Malleable Iron Company
Cleveland, Ohio

LIKES SHORT ARTICLES

"Style good . . . like shorter, condensed articles . . . 'Most Perplexing Credit Problem' is a splendid feature . . . Washington section greatly improved."

PAUL J. SWEENEY

General Credit Manager
National Cylinder Gas Co.
Chicago, Ill.

ALL FIND INTEREST

"The newly redesigned CREDIT AND FINANCIAL MANAGEMENT is very attractive and all of our men in the credit department find the magazine of considerable interest."

JOHN O'D. FEEKS

Assistant Vice President
William Iselin & Co., Inc.
Grand Rapids, Mich.

FAVORITE MAGAZINE

"May I express pleasure over the improved format of CREDIT AND FINANCIAL MANAGEMENT. I especially like the new policy of short condensed articles, as produced in the debate on salesmen's collection of accounts, with a dozen views on the pro and con. My copy is passed to several others in our company, all regarding it as the favorite business magazine."

J. C. HAJDUK, Credit Manager
Victor Chemical Works
Chicago, Ill.

INDORSES POLICY

"The new styling of CREDIT AND FINANCIAL MANAGEMENT is refreshing. It is obvious that the new magazine takes into account the fact that very few credit managers are exclusively such."

K. J. KRAUSE, Credit Manager
Coopers, Inc.
Kenosha, Wis.



TEN PAST PRESIDENTS of the Credit Association of Western Pennsylvania were honored at a testimonial dinner in Pittsburgh.

Front row (l to r): J. O. Gilmore, president, Bailey-Farrell Co.; B. A. Stump, vice president, secretary and treasurer, Double-day-Hill Electric Co.; I. L. Hillman, assistant treasurer and general credit manager, Dravo Corp.; D. R. Meredith, association secretary; M. J. Chesmar, secretary, treasurer and credit manager, Hubbard & Co., Glenshaw, Pa.

Second and third rows (l to r): J. S. Nichol (president incumbent), vice president and treasurer, Harris Pump & Sup-

ply Co.; F. W. Reisacher, assistant treasurer and credit manager, H. H. Robertson Co., Glenshaw, Pa.; A. D. Sallee, credit manager, Montefiore Hospital; J. E. Sugden, Jr., practicing attorney, formerly president, Steel City Gas Coal Co.; Montfort Jones (toastmaster), professor of finance, University of Pittsburgh; R. P. Simons, retired, formerly with W. W. Lawrence Co.; F. S. Bennett, assistant treasurer, Aluminum Cooking Utensil Co., New Kensington, Pa.; F. D. Hayes, retired, formerly general credit manager and assistant treasurer, West Penn Power Co. Addresses are all Pittsburgh unless otherwise designated.

ARBITRATION

(Concluded from page 19)

built. He, therefore, desired an allowance.

"The three arbitrators, familiar with pulp board, heard the case, then retired to another room. While waiting, the salesman advised the buyer he had better place another order shortly or be without pulp board, because of the time it took to secure the board from abroad. The buyer answered he did not want to do business with a man who had given him so much trouble, but the salesman suggested his quality of board was the best. The buyer responded that he would give another order but that on it he would have to get the same allowance he knew the arbitrators were going to give him on the shipment under discussion.

New Sale While Case Is in Arbitration

"Every credit man, I assume, has had some part in a litigation, but I am very certain that at the conclusion of a day in court no business was done between the parties. Arbitration preserves goodwill."

The arbitration clause, Mr. Braden said, insures prompt settlement provided the clause includes a reference to competent rules of procedure. He pointed out that in Michigan it is necessary under the law to have the arbitration clause signed separately (Under the United States Arbitration Act, which would govern interstate commercial cases under federal jurisdiction, no additional signing is required.) If no clause is included in

the contract the parties may still use arbitration by signing an agreement, adopting the association rules and providing for the appointment of an arbitrator.

In the following case described by Mr. Braden out of the textile field, a buyer was protected against a seller's attempt to take advantage of a rising market at his expense.

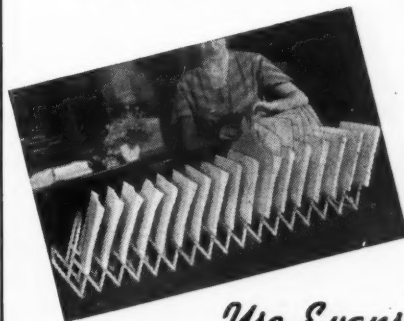
"A customer ordered a number of pieces of cloth. The order was taken but the credit office of the mill decided it would have to be a C.O.D. account. The order called for delivery in July, and on or about the second of July the merchandise was offered for delivery C.O.D.

"The customer did not have the cash and asked for a few days time to raise it. He was given 48 hours and then advised that the contract had been cancelled because of his failure to accept the merchandise when offered. He demanded arbitration on the grounds that, inasmuch as the seller had been allowed the entire month to make the delivery, the buyer should have been allowed a reasonable time in the same month to produce the cash. He also asserted the reason the seller desired to terminate the contract so quickly was because the market had gone up. The arbitrators directed that the buyer be given a week to raise the cash and if the seller was unable to make the delivery the buyer was entitled to the difference."

On the international scene, to

which America is sending money to combat Communism and keep economic recovery, a controversy might destroy every bit of goodwill, he commented. An arbitration clause in an international trade agreement is the answer.

A MONEY SAVING ANGLE



Use Evans GATHERING RACKS

For assembling inter-office communications, for sorting papers and for collating bulletin pages—well run offices use Evans GATHERING RACKS.

GUARANTEED to produce quicker and more accurate results than any other collating aid on the market.

Worker stands or sits, collating 3,500 sheets an hour without fatigue. Twice as fast as picking papers from piles on tables. Of all aluminum, each section holds 500 sheets of paper at inclined angle. Racks collapse for setting aside.

PICTURED: 16-Section TU Model at \$25.00. 7 others, \$11.00 to \$16.50.

See Your Dealer or Write:

EVANS SPECIALTY CO., Inc.
413 N. Munford Street
Richmond 20, Virginia

UP THE EXECUTIVE LADDER

There's a close parallel between John P. Knutson's military and business records. A man who stepped up from private to captain, as Mr. Knutson did in World War II, can be expected to enjoy the fruits of executive ability in civilian life. Now elected vice president of the Midland National Bank, Minneapolis, Minn., Mr. Knutson had joined the bank in 1930, left for Transportation Corps duty in 1942, returned four years later. Assigned to the credit department as assistant manager, his rise was rapid, to assistant cashier in November of '46, in charge of the credit department in January of 1950, then on to additional duties as assistant vice president.

CHARLES F. AXELSON, JR., assistant controller, has been advanced to controller of United States Gypsum Company, Chicago, succeeding WAYNE IRWIN, who continues as secretary and assistant treasurer. ROBERT D. THORNE was named assistant controller.

DAVID S. MOFFITT, formerly accountant of the Connecticut Hard Rubber Company, New Haven, Conn., has been advanced to controller. Mr. Moffitt also will supervise credits and collections.

J. B. WHARTON, JR., has been elected vice president in charge of finance, Glen L. Martin Company, Baltimore. He previously was vice president and treasurer of Trailmobile, Inc.

W. RICHARD KIRK, Union Hospital, Terre Haute, Ind., director of the Terre Haute Association of Credit Men, has been elected president of the Optimist Club of Terre Haute.

JAMES D. STEWART has been advanced from assistant treasurer to treasurer and director of the Judd Paper Company, Holyoke, Mass., succeeding GEORGE BARNETT, semi-retired.

Western Auto Supply Company, Kansas City, Mo., announced the election of JOHN D. GRAYSON as vice president in charge of finances. Mr. Grayson, formerly vice president and controller of Magnavox Company, Fort Wayne, Ind., has been associated with Western since January 1st.



J. P. KNUTSON



GEORGE E. WHITE

GEORGE E. WHITE, elected treasurer of Ceco Steel Products Corporation, Chicago, succeeds PAUL E. NEWHEY, who has retired as treasurer and controller. Mr. White, assistant treasurer since 1937, joined Ceco in 1920 as a clerk in the accounting department. In 1925 he was made credit manager.

W. L. DRECHSLER has been elected secretary and member of the board of directors of Hibbard, Spencer, Bartlett and Company, Evanston, Ill. He will continue to serve as credit manager.



W. L. DRECHSLER



G. A. GITCHELL

GEORGE A. GITCHELL, assistant vice president of the Pacific Telephone and Telegraph Company, Oakland, Calif., has been advanced to assistant to the president. Mr. Gitchell was divisional manager before his promotion to assistant vice president last fall. He was president of the Wholesalers Credit Association of Oakland last year.

PAUL K. CARTIER has been appointed assistant secretary of the Champion Paper and Fibre Company with headquarters in Hamilton, Ohio. Mr. Cartier was formerly cashier.

JOSEPH G. HALPERIN has been appointed treasurer and controller of Hamilton Glass Company, Chicago. He has been an associate of Rubel, Fields, Godow & Lawrence, certified public accountants, for the past eleven years.

PITTSBURGH, PA.—Several changes in the western Pennsylvania area include—Roy B. Griffith is now credit manager at Reese Electric Supply Company . . . Mrs. Clara P. Riddle, secretary-treasurer, Polar Water Company, adds credit department supervision to her responsibilities . . . Robert T. Jack succeeds A. B. Woodall as credit manager at National Mine Service Company, Whiteman Division (Indiana) . . . Julius R. Muder is the new credit manager at West Liberty Lumber Company . . . J. C. Davis is credit manager at Kingan and Company . . . W. Churchill Leonard, general manager, also is looking after credits and collections at National Floors, Inc.

E. C. WALDECK has been elected treasurer and assistant secretary of Radio Specialty Company, Milwaukee, Wis. He was formerly controller, credit and office manager. Mr. Waldeck is a past director of the Milwaukee Association of Credit Men.

HARRY E. BARNFATHER, formerly with Dun and Bradstreet, Inc., is now credit manager at Ruud Manufacturing Company, Pittsburgh. He succeeds JAMES W. SCHALLES, now with United States Steel Company's credit department in Pittsburgh.

Detroit Steel Products Company, Detroit, Mich., has announced the election of J. LEWIS TRAIN as assistant treasurer and controller and HOWARD J. FICHTNER as assistant treasurer and credit manager.

T. H. BIERCE is now secretary and treasurer at Dan River Mills, Inc., New York, N.Y. He was formerly controller with Rochester and Pittsburgh Coal Company, New York.

REMINGTON W. WARNER has been appointed controller of the Wico Electric Company, West Springfield, Mass.

O. H. BERRYMAN has been elected vice president of John Pritzlaff Hardware Company, Milwaukee, Wis. He has been general credit manager and assistant secretary. Mr. Berryman is past president of the Milwaukee Association of Credit Men.

C. T. MCCLINTOCK has been elected president of the Woodbury County Savings Bank at Sioux City, Iowa.



A QUARTER CENTURY of service to the company brought A. A. Good (right), Continental Coffee Company's credit manager, congratulations and a gold watch presented by President Jacob Cohn at the company's annual sales meeting in Chicago. Continental, with plants in Chicago, Brooklyn and Toledo, is a leading roaster of coffee for restaurants and hotels.

300 Credit Men of Southeast Join in Annual Georgia Clinic

Educational, public relations and banking phases of credit operations were among the subjects discussed by speakers and 300 credit men of the Southeast at the third annual Georgia Credit Clinic, held at the Atlanta division of the University of Georgia. Joint sponsors were the Georgia Association of Credit Management, Inc., Atlanta Retail Credit Association, and banks of Atlanta.

Speakers included Dr. Carl D. Smith, managing director of the Credit Research Foundation, National Association of Credit Men; Henry C. Alexander, vice president of the National Retail Credit Association; Paul M. Welch, vice president, Citizens and Southern National Bank, and chairman, American Bankers Association committee on consumer credit; Dr. William A. Irwin, A.B.A. economist and associate director of the Graduate School of Banking; and Roy A. Foulke, vice president, Dun & Bradstreet, Inc., New York City.

Desk-Top Telegraph Offices Send Message by Electronics

Push-button "telegraphy" from the desk top of a company executive is a new Western Union electronics engineering device to be in use in 10,000 offices by the end of the year. Five thousand of the machines—self-contained telegraph offices—already are in test service, the American Institute of Electrical Engineers was told.

Either handwritten or typewritten telegrams may be used for the mini-

ature facsimile transmitter and receiver. The sender writes his message, addresses it, inserts it into the desk-top device and pushes a button. Electronics and Western Union take it from there.

If the addressee has a "Desk-Fax" machine, a buzzer sounds, he puts a receiving blank in his set and pushes an "incoming" button. Then he acknowledges receipt by pressing an "accept" button. Neither messenger nor carbon copy is needed.

13 Regional Advisory Boards Will Assist Small Businesses

Telford Taylor, Administrator of the Small Defense Plants Administration, has established a national advisory board, with 13 regional advisory boards as follows:

Region 1 (Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Connecticut) Office: Boston, Mass.

Region 2 (New York and New Jersey) Office: New York, N. Y.

Region 3 (Pennsylvania and Delaware) Office: Philadelphia, Pa.

Region 4 (Maryland, Virginia, West Virginia, the District of Columbia, and North Carolina) Office: Richmond, Va.

Region 5 (Tennessee, Mississippi, Georgia, South Carolina, Alabama, and Florida) Office: Atlanta, Ga.

Region 6 (Ohio, Kentucky, and Michigan) Office: Cleveland, Ohio.

Region 7 (Wisconsin, Illinois, and Indiana) Office: Chicago, Ill.

Region 8 (Minnesota, North Dakota, South Dakota, and Montana) Office: Minneapolis, Minn.

Region 9 (Missouri, Nebraska, Iowa, and Kansas) Office: Kansas City, Mo.

Region 10 (Texas, Oklahoma, Arkansas, and Louisiana) Office: Dallas, Tex.

Region 11 (Wyoming, Utah, Colorado, and New Mexico) Office: Denver, Colo.

Region 12 (California, Arizona, and Nevada) Office: San Francisco, Calif.

Region 13 (Washington, Oregon and Idaho) Office: Seattle, Wash.

Address the Chairman, Regional Advisory Board, Small Defense Plants Administration, in the city of the Regional Board.

Petroleum and Pessimism Don't Mix, Says Wescoat

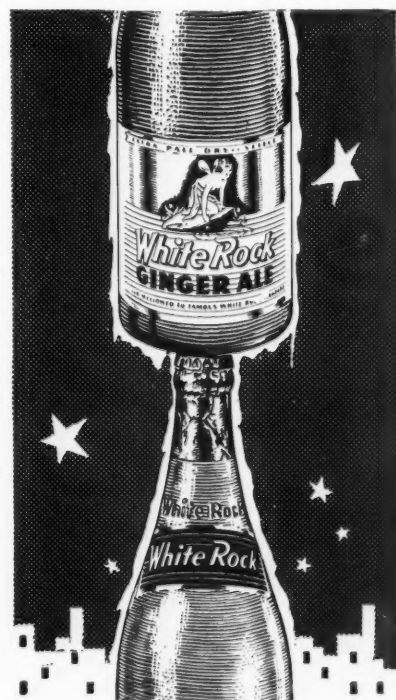
A good axiom for business management to apply to its own sectors is this: "Petroleum and pessimism don't mix." L. S. Wescoat, president of the Pure Oil Company, said it.

Ninety per cent of the world petroleum balance of power is non-communist, 10 per cent communist, so long as control of middle east and East Indies' oil does not cross the line, Mr. Wescoat pointed out, and even if the near east came into Russia's orbit she would lack the transport to use it. Hence the fields which include Iran, Kuwait and Saudi Arabia, while producing 15 per cent of the world's oil and constituting the "greatest military and economic prize in the world today," yet should not be a subject for alarm.

Grover F. Muller Dies; In Credit Since He Was 14

The death of Grover F. Muller, 67, who had retired from L. F. Dommerich & Company at the close of 1950, removed a leader who had been in the credit field since he was 14 years old, when he started work with James H. Dunham & Company, thence successively to C. A. Auffmordt & Company, Frederick Viotor & Achelis, and Fleitmann & Company, which was taken over by Dommerich in 1930.

Mr. Muller was a past president of the 475 Club, director of the Credit Men's Fraternity, Inc., member of the New York Credit and Financial Management Association, and the Textile Square Club.



Guides to Improved Executive Operation

KEEPING INFORMED

DO YOU WORK FOR YOURSELF—Self-employed—old-age pensions. Many businessmen are fully covered under the revised law. New government booklet fully explains the program. You can obtain a free copy from your local social security office.

POSTAL RATE WALL CHART—Offers 1952 postal rates and limitations, as well as detailed information on surface and air parcel post, first, second and third class mail, special delivery, special handling, registered mail, surcharges and C.O.D. rates. The chart may be obtained by sending 25c in coin to cover handling to Commercial Controls Corp., 1 Leighton Ave., Rochester 2, N.Y.

RENEGOTIATION—Renegotiation Board, Department of Defense, Pentagon, Washington 25, D.C. A new and revised guide for business executives on renegotiation of defense contracts.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.



Now you can do

← PLASTIC BINDING RIGHT IN YOUR OWN OFFICE this modern low-cost way

Add prestige...color...utility...attention-compelling appearance to reports, catalogs, all printed and duplicated material. Save money, too. Anyone can operate.

FREE... PLASTIC BOUND PORTFOLIO-PRESENTATION

Get your personalized edition today—packed with illustrated facts and ideas—gives the complete application and



cost story...a wealth of timely information for the busy executive. Includes 2 valuable plastic bound pocket memo books. All absolutely free. No obligation.

GENERAL BINDING CORPORATION
Dept. CF-6, 808 W. Belmont Ave.
Chicago 14, Ill.

To expedite receiving these booklets, please address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 33 So. Clark St., Room 1538, Chicago 3, Ill.

EFFICIENCY TIPS

204—DuKane Corporation's booklet demonstrates how to talk instantly, give orders, and get action without waiting for operators, through the use of Flexiphone Intercommunication Systems.

205—Remington Rand, Inc., will send you its 32 page **SCHED-U-GRAPH HANDBOOK KD341**, which can be used on all types of production or machine load problems. It will show graphically how close each job is to schedule, in time to take action if necessary, and how to check production quota.

206—Federal Business Products will send the booklet **SHORT CUTS IN BUSINESS FORMS**, explaining their snap-and part carbon interleaved sets of business forms for all uses.

207—Toledo Scale Company's **BULLETIN 2037** describes the weight control and printweight records and how to give your accounting department accurate printed record of each weighing operation.

208—L. L. Brown Paper Company has a booklet entitled **HOW TO GET GREATER SERVICE AND VALUE FROM YOUR RECORDS AND LETTERS**, covering how to judge paper properties and values; how to determine effect of paper cost on total record cost, and a guide for each need.

209—Gummed Industries Association will send its booklet **HOW TO SEAL IT RIGHT WITH GUMMED TAPE**, a brochure for executives telling a complete story of tests made by laboratory on closing methods, etc.

210—Railway Express Agency, Inc., offers to send a booklet listing first class post offices in the United States, plus all branch post offices. The booklet also explains highlights of the new parcel post regulations.

211—Chas. R. Hadley Co. has prepared an illustrated folder on **Uni-Sort checks**, for fast and easy sorting and filing of checks in the order desired.

BOOK REVIEWS

BUSINESS MATHEMATICS. By Cassidy & Robusto. Price \$6.35. Published by Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y.

★ Business mathematics is considered by business educators to be one of the most important subjects in the business curriculum. The authors here keep explanations brief and not too technical.

Chapters include discussions of percentage, cash and trade discounts, simple and compound interest, bank discount, profit and loss, partnership, real estate, averages, annuities, amortization and sinking funds, depreciation and capitalized cost, life insurance and annuities.

There are 100 pages of tables.

CHANGING CONCEPTS OF BUSINESS INCOME. By Report of Study Group on Business Income. Price \$2. The Macmillan Company, 60 Fifth Ave., New York, N.Y.

★ Old ideas of business incomes are out-of-date, and the interpretation and understanding of this fact is one of the most important subjects with which management is faced. This book is a timely answer by a Study Group set up at the initiative of the American Institute of Accountants, financed by it and the Rockefeller Foundation, over a period of three years.

SECURITY ANALYSIS—Third Edition. By Benjamin Graham and David L. Dodd. Price \$8. McGraw-Hill Book Company, Inc., 330 West 42nd St., New York, N.Y.

★ Every investor interested in purchasing securities on a sound basis, as well as finance students, will find clear, expert information on phases of modern investment practice. Analyses of securities, with illustrative examples, are based on accepted procedures. Special features are: techniques of appraisal and measurement for investment securities; analysis of public-utility statements, and valuation of their common stocks; new ideas on stockholder-management relations. Headings and subheadings are used for quick, accurate reference. Of particular interest to credit executives are more than 200 pages on analysis of financial statements.

Books reviewed or mentioned in these columns are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.

Modernizing for Office Efficiency

introducing new office equipment and systems to effect economies in labor and costs, as well as to speed production of essential office work

New Style Dictating Medium

Faster return of letters for signature, plus dictating ease and economy, is promised users of the Televoice, by Thomas A. Edison, Inc., the manufacturers, West Orange, N.J. With Televoice the executive simply picks up a special dictating phone on his desk—and talks. His words are delivered instantly over the wire to a secretary for immediate typing. Three, six, or even 20 of these Televoice phones always are connected to an electronic recording unit, the Edison TeleVocewriter, placed on the secretary's desk, either in the department or floors away. One sec-



retary can handle volume correspondence, and dictation flows at an even pace, eliminating backlogs and peak loads.

Televoice is not connected to telephone lines and does not interfere with telephoning, but, like the telephone, the Televoice is easy to operate. To dictate, press a "talk" button in the hand set which starts and stops the central recorder. A button on the phone base allows a play-back. Hanging up automatically punches a length mark on the secretary's index slip. Edison guarantees free line service on the basis of a preinstallation work load analysis.

Here's Sight and Time Saver

The Pres-To-Line Corporation of America, 2339 Cotner Ave., Los Angeles, Calif., has announced a Pres-To-Line for use with billing machines or with electrical accounting machines, in addition to the one for use with typewriters. It is available in five widths, 14", 18", 24", 28" and 32", to accommodate all general, legal and accounting work. This device removes reading material



from an awkward and abnormal position on the side and places it in a natural reading position in back of typewriter, billing machine or accounting machine.

Copy is easily inserted, rolling through the platen rollers as in a typewriter, and even bulky material may be inserted. Micromatic spacing adjustment gives two, three or four typewriter spaces or intermediate spacing, and it is adjustable to suit each individual operator. It can also be equipped with foot-operated spacing mechanism if it is necessary for the operator to have both hands free. It is attractively finished in neutral gray to harmonize with surrounding colors.



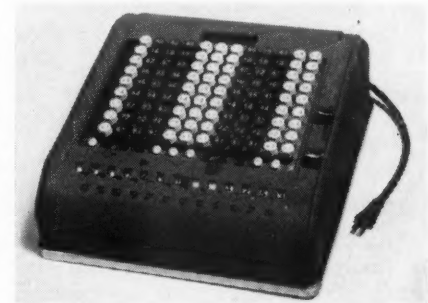
New High-Speed Endorser

A new high speed endorser, capable of endorsing, dating and stacking 27,000 checks an hour with automatic feed attachment has been introduced by Cummins-Chicago

When writing to the makers of these products please mention that you read about them in CREDIT AND FINANCIAL MANAGEMENT.

Corporation, 4740 N. Ravenswood Ave., Chicago, Ill. The machine automatically feeds, endorses, dates and stacks in sequence. In addition to its use in conjunction with proof-listing of checks, the endorser can be made a part of microfilming to provide a continuous microfilming, bookkeeping and endorsing operation. A special tripping device virtually eliminates skips.

Light in weight, the device can be moved from one place to another for use either as an automatic or a hand-fed endorser with listing machines. Hopper adjustment makes it easy to remove checks and handle items other than check size for increased efficiency. A 1/12 horsepower motor operates on as little as 90 volts.



A Dual-Action Comptometer

The new Dual-Action Comptometer Adding-Calculating Machine being introduced by Felt & Tarrant Mfg. Co., 1735 N. Paulina St., Chicago, is a two-in-one machine in that it has two independent keyboards, two canceling levers and a divided answer register. The outstanding feature is that the operator can calculate on the right half of the keyboard and accumulate totals on the left half. Totals on the right, or calculating side of the comptometer may be canceled independently of the accumulating side. The machine is designed to handle billing, payroll, figuring discounts, sales audit, accounts receivable, statistics and other applications.

On figure work not requiring the dual feature, the operator simply touches the lower canceling lever, which converts the Dual-Action into a standard, full keyboard all-purpose machine. All models can be "split" at any point to accommodate special types of figure work.

Cost and Payroll Recorder (below)

This new recorder, the Model TCF, manufactured by the Simplex Time Recorder Company of Gardner, Mass., will register the exact starting and ending time for each job. In addition, it provides an accurate, indisputable, printed record of each employee's time, made by the worker himself to comply with wage-hour requirements.

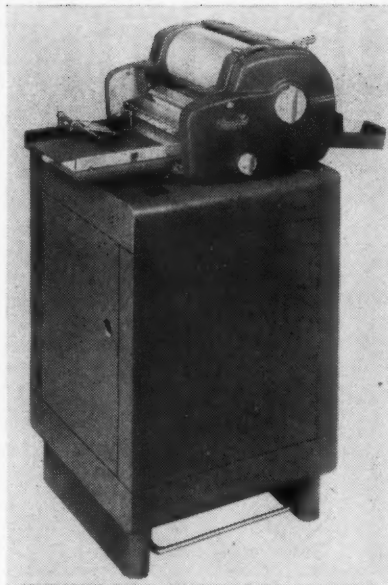
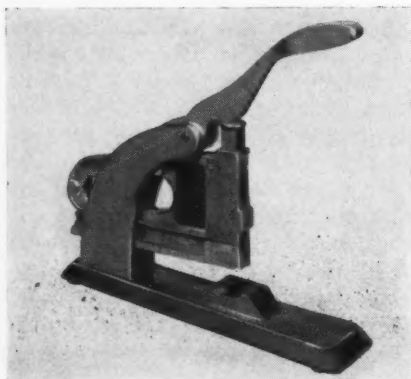
The recorder is fully automatic and electronically operated, and provides a two-color registration to make for easier computation of time and faster payroll makeup. The machine is designed to print on any size or shape of card or paper with clear, legible registrations, and will fit any cost system. This modern time-recording instrument stops time leaks.



Staples 120 Sheets of Paper

Thick pads of paper can be stapled as easily as a few sheets with the new desk model stapler introduced by the Heller Company, 2153-E Superior Ave., Cleveland 14, Ohio. This compact, yet powerful stapler can stitch booklets, folders, magazines, maps, time cards, and perform many other fastening jobs. Using the long leverage principle combined with cam-action, heavy work is accomplished without effort.

Light in weight, the device takes little desk space and has a sure grip rubber-cushioned base that cannot mar the finish. It drives a flat steel stapler 11/64" to 9/16" long.



New Speedy Fluid Duplicator

A new fluid duplicator, called the Coronet, designed by Standard Duplicating Machines Corporation of Everett, Mass., is attracting unusual interest. Completely new in appearance and action, the Coronet operates on a one-turn, one-copy ratio which means greatly increased speed. Floating gear suspension, with cams and gears in rubber mounts, minimizes noise even at the increased speed, and also compensates for wear over a period of years.

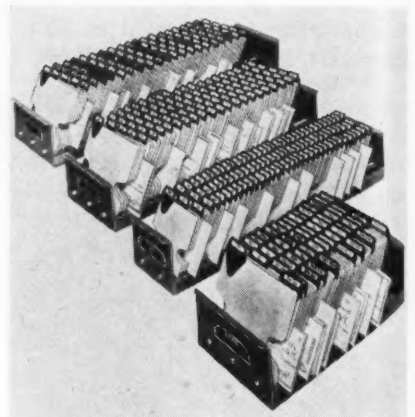
The machine, with automatic feed, duplicates anything that may be typed, written or drawn on a master, and automatically feeds duplicator card or paper stock even when intermingled in the same stack. Engineering features include a two-quart capacity fluid tank with visible gauge, and a micromatic drum setting for instant registration adjustment through a knurled finger tip control, thus avoiding waste by quick setting of the machine to handle business forms which inadvertently may have been printed out of register. Copies are delivered face up to facilitate checking of copies as they are run, at a speed of 80 a minute.

Device to Speed Up Sorting

Vertical Sorters, says the LeFebure Corporation, Cedar Rapids, Iowa, which manufactures them, do make sorting jobs easier and faster and do away with "bottlenecks." They are for sorting checks, sales slips, time cards, labor cost tickets, way bills, insurance records, expense forms, and can be supplied in letter size also. They are space-saving in that they occupy a minimum of desk space, and corduroy-covered runners

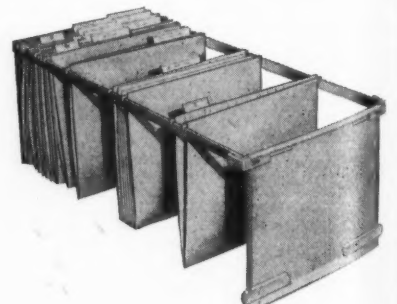
protect work surfaces. They can be indexed to fit the specific job, which speeds sorting; index tabs are clearly visible and within proper focus of the operator. If desired, easy rolling stands in any height desired can be supplied.

The sorters are in 12, 16, 20 and 24-inch lengths and can be tailored to fit the job. Sorter guides are put in after the correct alphabetical breakdown has been determined, and after analyzing the number of accounts and activity, with special name guides for those accounts which have heavy activity. Write the manufacturer for detailed information on your own type of installation.



Suspended Folder File Frame

Victor Safe & Equipment Company, North Tonawanda, N.Y., has introduced a new suspended file frame. It is shown here with folders installed. The frame is now adjustable in length as well as in width to fit almost any size of letter or legal filing drawer. Folders are equipped with an improved beaded-edge, crimped angle tab for easy assembly and serviceability. Filing with these suspended File folders is said to save time and reduce employee fatigue by eliminating sagging, overcrowded folders and unnecessary filing guides. Both frames and folders are available for prompt delivery.



ASSOCIATION NEWS

Highlighting Activities National, Regional, Local

Credit Men Can Help Tear Mask of False Economy Off U.S. and Restore True Prosperity, Says Heimann

AMERICAN industrial efficiency twice in a lifetime has helped save the nation in crisis "in the face of smearing tactics," while "gross incompetence in the diplomatic field" has failed to win the peace, Henry H. Heimann, executive vice president of the National Association of Credit Men, told the 56th annual Credit Congress at Houston, in his keynote address on "After Preparedness—What?"

Besides today's "feverish activity to correct these errors and avoid war," entailing a defense effort that is causing some civilian shortages, "the real price" of the failure of diplomatic personnel either to understand the essentials of a peace program or to evaluate the needs and objectives of other countries, Mr. Heimann said, "is written in the trend and drift of our nation under a maze of rules and regulations toward a Socialistic or dictatorship program, interfering with our daily life in most of its phases." The executive branch makes unconstitutional demands, with the "acquiescence or cooperation" of Congress in the liquidation of its powers.

If Government will restore to American industry not only freedom of action but also "support in the protection of its investments and its personnel," then "we need not face soup lines, unemployment or idle plants and factories" but can go on to the development of trade in every country and leadership for a higher standard of living worldwide.

Obligations of Credit in Recovery

Credit will have a major role in moving out from the camouflage policy of using a defense program to mask economic troubles, and now is the time to prepare for "the more competitive period that lies ahead," the convention was told. To "strengthen our profession in every

TEN STEPS TO A RESTORED AMERICA

1. Business freedom to cope with increased production.
2. Mutuality of interests between Government and business.
3. Cessation of Government competition with business.
4. Removal of crushing burdens of taxation on business and people.
5. Liquidation of Socialistic philosophies in Government.
6. Realistic determination of Government credit.
7. Courageous Government that will protect the American system and the American dollar.
8. End to "boon-doggling."
9. Abolishment of bureaucracy and paternalism.
10. Cessation of antitrust suits, in recognition of the fact America needs both large and small businesses.

Henry H. Heimann to Credit Congress

way we can," Mr. Heimann proposed the following program:

(1) "We must recognize the need of moulding our own capacity through sound programs of credit education. We must not neglect keeping our credit files up-to-date. The defense effort and the tax impact will change the responsibility of many companies. Unless we are on the job day by day, keeping fully informed as to the paying habits of customers, our firms will pay dearly for such neglect.

(2) "We should have the courage to do a real research job. We are dealing with a vital factor in world affairs, and its potency and influence must be better understood.

(3) "The cash needed to operate a business in these inflated times of high taxes makes it highly essential that we do not become involved in the financing of customers beyond the terms period.

Conversion of Receivables to Cash

(4) "It is our responsibility to see to it that receivables are converted into cash as quickly as possible, and when we need to resort to our own

association to make collections we must not delay to the point where we jeopardize the account and thus find ourselves guilty of poor administration.

(5) "We should fight courageously for good credit laws.

(6) "We know that the greatest impact on credit and evaluation of credit is the burdensome tax now confronting individuals and business, and therefore we have a right in the interests of sound credit to demand economy of government. We should make this demand as articulately and as constantly as we can.

(7) "We should, on our own account, educate management on the potentialities of our department for in doing so we aid industry in a constructive way.

(8) "We should never forget that real professional ability is disclosed in our efforts to make sales through the acceptance of marginal accounts which through counsel, advice and direction we can build into safe and profitable outlets. We should co-operate, one with another, so that the credit of the nation is benefited

(Concluded on following page)

SOUND PROSPERITY TALK IS HOAX, HEIMANN WARNS

(Concluded from page 35)

and true conservation of the resources of business is effected."

"No greater hoax has been perpetrated on the American people," Mr. Heimann charged, "than the contention that we are and have been in a sound prosperity."

Turning first to international trade, he said "there has been nothing real about it for 20 years." Aid programs, he noted, have created the exchange, not industry or production in the countries. International trade resting upon money loaned them so they might buy, or given them for the purchase of our production, "is moving down a one-way street," but even more sinister are the philosophies behind those programs and their resultant burdensome taxes, Mr. Heimann warned. "It is questionable whether a too rapid attempt to liquidate these philosophies would not now end in social revolution," but they must be liquidated, gradually.

Nations Least Aided Improve Most

As each of these philosophies has been proved false in application, the "propaganda mills" have ground out new reasons to defend it or indorse a new one. Declaring "we have been propagandized so much we are 'punch-drunk,'" Mr. Heimann went on to enumerate the rapid succession of schemes adopted:

The Bretton Woods agreement, the International Bank, the expanded Export-Import Bank; loans to Great Britain, Greece, Turkey, and now "to many other nations"; the U.N.R.A., "which was presumed to put our allies on their feet"; the European Recovery Plan, the Marshall Plan, more loans to Europe, and now the Mutual Security Program, and "so desperately are we endeavoring to prop up an artificial economy in this program we are presently concentrating on buying abroad."

How successful have these programs been? When they began, Stalin ruled 180 million subjects; "today, after all our billions of dollars of aid, our technical assistance, our military participations, Stalin rules 800 million people." And "the nations who have received the least have the best record of recovery," for example, Belgium and Holland.

On the domestic front, Mr. Heimann showed, wealth has been redistributed, by imposition of taxes, into social welfare outlays exceeding \$23 billions a year. Billions have gone into subsidizing certain groups.



"WHAT MANAGEMENT EXPECTS" was the theme of C. Herbert Bradshaw (left) of the Bausch and Lomb Optical Co., Rochester, N.Y., in addressing the Syracuse Association of Credit Men. Standing (right) is John H. Curling, Broome Distributing Company, immediate past president of the Association; (center), Newton D. Bartle, association secretary. Seated (l to r) are Harry D. Snyder, American Register Company, publicity chairman; H. C. Watkins, Jr., Porter Cable Machine Company, program chairman.

"Government is in every conceivable type of business," and "our philosophy is based on a legislative right which is like a foundation upon shifting sand."

With the piling of debt upon debt until the dollar today "at best has a purchasing value of not more than 40 cents compared to the dollar we knew shortly more than a decade ago," the speaker said the bill to individuals in the lower expendible value of their life insurance policies, bond holdings and bank accounts approximates \$116 millions.

With this election year "the open season for shooting at business," most folk would conclude that "the profit on the investment in business as a whole has averaged about 7 per cent," but in terms of the excess federal debt of \$240 billions the rate of return for the last 20 years has been 4 per cent, and even that is "a story half told, for the profits, the wages and every other item in which we deal are now based on a 40-cent dollar."

"Never Poorer Than We Are Today"

Productive capacity has been actually doubled in the last 13 years, Mr. Heimann declared, and the 100 per cent increase is being used in full, due to the "defense program and other artificial stimulants." Emphasizing that he was not arguing

against the necessity of proper defense, he urged that the nation "not be misled in the belief that we are rolling in wealth when in reality we were never poorer than we are today."

However, any dire predictions of a business tailspin when defense spending ends have no grounds if constitutional responsibility of the various branches of government is restored and the history of our own American industry and its business management is restudied, he said. "Through thoughtful promotional campaigns, good values and wider distribution of its products, business time and again has created greater demand which has taken up our excess productive capacity."

But we must have a favorable policy by Government, Mr. Heimann declared, with these essentials: Government acceptance that American industry has helped materially to preserve the life of the world's free people; acceptance of the profit motive as a factor in business growth and improved world living standards; an end to business baiting; encouragement of business, and acceptance of the fact that by the laws of God and nature industries are intended to grow and that "it is the will of God for a human being to progress."

Washington's Own "Innocents Abroad" Need Facts of Life, Declares Dubach

WISHFUL thinking in foreign affairs, foolish fear, inconsistency, dishonesty, and excessive knowledge coupled with insufficient wisdom have led America to an impasse, and the one way to blast open the road is to make the strength of America our first concern lest the idealism of the world crumble, Dr. U. G. Dubach told the National Association of Credit Men at the Houston Convention.

Why does America lack a fixed general policy, asked the professor of political science, Lewis and Clark College, Portland, Ore. "Ever since the second world war our government has been improvising in foreign affairs from day to day, depending on where pressures were put on us from without," the analyst charged, and backed up the indictment with a rapid leafing of White House and state department pronouncements.

Some Pitfalls of Belief and Unbelief

In early June of 1950 President Truman was calling peace the closest in five years, while Secretary Acheson was saying America would not defend Korea and that Formosa was not in our defense perimeter. In two weeks American troops were on the way to Korea—and death. Recently "the department of state said we won't compromise, we will not give Formosa to the Communists. We will carry on in Korea and we will not recognize communist China. I don't know whether they mean it. Do you?"

The American people, Dr. Dubach declared, "are stable enough and honest enough so they could be



DR. U. G. DUBACH

trusted with the major plans of their foreign policy." Russia's policy has been fixed for 300 years, except that it now is "more devilish because the Communists have written God out of the books."

Frightened by People's Trustfulness

The educator, who had "worked all over Oregon for the United Nations," declared he was "frightened" when the charter was adopted because the American people, always too trustful, "placed absolute faith in a paper agreement" despite the fact that Commissar Stalin repeats the following doctrine of Lenin as his own: "It is necessary to use any ruse, cunning, unlawful method, evasion, concealment of truth."

As for the Atlantic Pact, the speaker added, the paucity of help from our allies in Korea should teach

us something, with the nations "terribly separated by their own past history and their own individual selfishness," each jealous and fearful. "I would have our nation cooperate," but "we have got to say at every turn, 'What's good for the United States,' for 'if it's good for us it will be good for the rest of the world.'"

Washington's skirts have not been clean, the speaker said, citing the experience of Mrs. Dubach in buying a bit of tapestry from a Chinese student. The package reached Portland but was stopped by the Internal Revenue Service. "We buy \$10 worth of silk from Hong Kong, a free port, but cannot have it lest it come from enemy territory—when we as a nation all last year shipped critical war goods by the shipload to Red China, and England sold four times as much rubber to China and many times normal to Russia."

Muffed Opportunity to Save China

The Far East is in a state of revolution "and will continue to be until certain wrongs are righted," yet we muffed our greatest opportunity in China, "the center of this movement," with all our encroachments to protect special privileges. President Wilson, declared the speaker, prevented Japan from taking China in World War I, but America "refused to cooperate with the world." Came 20 years in which we could have saved the situation, then the second world conflict, with "China literally fighting our war" until we prepared. And then? "Because of the affinity of Communist countries evidenced by those in control, we let China go into their hands."

Corruption of Chiang Kai-shek and his government? "Well, there was some misuse of the materials and funds from America—not necessarily five percenters—mink coats—R.F.C. loans," but what Generalissimo and Madam Chiang Kai-shek "did for their people" effected a "transformation that was miraculous." Dr. Dubach asserted that "if the Japanese had not started the war in August, 1937, a Chinese Constitutional Convention would have met in September, 1937, with the probability of a fairly united China. If only we had been willing to hold their hands up! Your children and grandchildren will pay for sins of

(Concluded on following page)

TRY THESE ON YOUR AMERICANOMETER

From the address of U. G. Dubach, Ph.D., Lewis and Clark College, before the N.A.C.M. Convention:

It is high time we talk about the interests of America as well as the interests of every other country in the world.

Why do we not have a general fixed policy?

The American people are stable enough and honest enough to be trusted with the major plans of their foreign policy.

Americans have got to be done with wishful thinking in foreign affairs.

If it is honestly good for the United States it will be good for the world in the long run.

The only way we will lead the world is by the goodness of America.

REVIVE AMERICAN IDEALS, DUBACH URGES (Concluded from page 37)

commission and omission. Korea, China, Indo-China, Malaya, Indonesia and others could have been friends of nations bearing the name Christian."

Helping Mankind a Forgotten Aim

Fear, distrust ("not good materials on which to build a dependable structure") and the urge of self-preservation have determined almost every move of Washington in international affairs "instead of the genuine desire to promote the welfare of mankind," Dr. Dubach said. "We've got to cooperate with England and others, but they must cooperate with us, too."

"It will take understanding, giving and suffering."

"There is just one thing worth living for," declared the economist, "and that is that we would restore America to a recognition of the spiritual ideals whence she came." Our trouble is that we've got too much power and too little control. "Your automobiles are wonderful—but what about the men behind the wheels? You have made great progress. Have they?"

Education Runs Away; Morals Lag

"Our education has run away with us; we know too much for our moral development," Dr. Dubach declared, adding that no American has a right to a good car and a good home if he

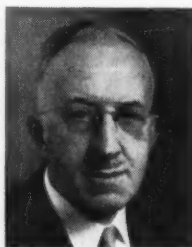
is not willing to earn them, but if he is willing to earn them he should have them, "provided he can carry along the spiritual idealism of his country at the same time."

The economist urged that we all take time off to study good government, preach it and participate in it, that we live above the common level of life and "choose the harder right instead of the easier wrong," and that we so live that the people of the world want to be like us, because the only way we will "lead the world is by the goodness of America."

Gielen of Hilton Hotels Heads Chicago Credit Unit Officers

Taking over the reins as president of the Chicago Association of Credit Men, second largest of the 152 affiliates of the N.A.C.M., is W. J. Gielen, general credit manager of the Hilton Hotels Corporation.

From the Lewis Institute and graduation in the Walton School of Commerce's first class, he began his business career working in the office of the Hotel La Salle, thence to the Statler Hotels,



W. J. GIELEN

first in Buffalo, then Detroit, and to New York and the Pennsylvania, New Yorker and Commodore. He was general credit manager of the Palmer House in Chicago when Hilton took over the Stevens and Palmer House and advanced to general credit manager of the chain.

In the Chicago association he has been a director, second and first vice president.

Other electees are E. E. Diehl, Westinghouse Electric Corp., first vice president; V. A. Bingham, Macwhyte Co., second vice president; E. A. Luther, National Surety Corp., treasurer; and directors W. M. Edens, W. C. Hartman, F. J. Hertel, J. H. Hilf, C. F. Hlavacek, W. C. Murphy, R. O. Swanson, J. I. Stang and F. A. Zib.

"Credit Managers Association Of Southern California" Now

A new christening but not a new baby. The name "Los Angeles" did not describe the territorial expansion and the plans for additional growth, so now it's the Credit Managers Association of Southern California, with the approval of the San Diego group.

The recently formed affiliate, Inland Cities Association, includes memberships in San Bernardino, Riverside, Redlands and adjacent cities.



AFTER DISCUSSIONS at a session of the Appliance Credit Group of the Detroit Association of Credit Men, the following, seated (l. to r.) are: Julius Anscher, Emerson Radio of Michigan, Inc.; L. W. Huttinger, Bendix Home Appliances Sales Corp.; Willis C. Swanton, Daybert Distributing Co.; Robert Babson, Graybar Electric Co., Inc.; Edward A. Long, Detroit Times, Div. Heart Publ. Co., Inc.; William Dunbar, LaSalle Supply Corp.; Joseph P. Murphy, Brennan Appliance Distributors; L. E. Pbelan, secretary-manager, Detroit Association of Credit Men, and W. R. Gordon of the Detroit Association.

Standing: Hugh M. Ferguson, Republic Supply Corp.; Herbert J. Otter, Detroit Michigan Stove Co.; Chester Alexander, Peninsular Distributing Co.; H. L. Cottrell, General Electric Supply Corp.; Mel A. Hauke, Radio Distributing Co.; Carl Trendle, Jr., Electrical Specialties Co.; Charlton Ray, Motorola-Detroit Co.; A. F. Steinhardt, Morley Bros., Saginaw; Harry E. Hull, Detroit News; Edward Kaye, Westinghouse Electric Supply Co.; Alex Kennedy, Morley Bros.; John G. Bremner, Bubl Sons Co.; John C. Hunter, Appliance Wholesalers, Inc.; and James E. Gibbons, R.C.A. Victor Distributing Corp.



SWAPPING INFORMATION brings together manufacturers interested not only in dealer accounts but also in selling the "raisers," at the latest meeting of the Upper Midwest Feeder Finance Credit Group, in Minneapolis, Minn. Among those at the head table (below the

screen) are L. E. Rickert, Osborne McMillan, chairman; and Tom Lyons, Kellogg Sales Company, Inc., Battle Creek, Mich. Tom Murphy, Pillsbury Mills, Inc., will have the gavel in hand as the chairman at the fall meeting of the Upper Midwest Group.

Feeder Finance Credit Group Plays Up Educational Motif

Exchange of information by manufacturers both within and outside the area highlights the meetings of the Upper Midwest Feeder Finance Credit Group, which developed from monthly dealer account discussions of a Feed and Seed Credit Group.

As many manufacturers were interested not only in dealer accounts but also in selling the "raisers" (a distinctly separate business with its own problems), a meeting was called for manufacturers concerned with feeder finance accounts. Several national manufacturers coming into the area were invited, among them the Kellogg Sales Company of Battle Creek, Mich.; Quaker Oats Company of Chicago; General Mills, Inc., at that time with Chicago headquarters, and the Ralston Purina Company of St. Louis. Forms were exchanged and discussion was had of interest rates.

Out of these beginnings have come semi-annual meetings, in February and September. Dean McNeal, vice president of Pillsbury Mills, Inc., whose analysis of the turkey market was the subject of an article in the March issue of *CREDIT AND FINANCIAL MANAGEMENT*, is a regular speaker on statistics of production, storage, sales and consumer trends.

Heimann Quoted in McCormick Talk in Congressional Record

An indictment of controls which incorporates a quotation from the Monthly Business Review of Henry H. Heimann, executive vice president of The National Association of Credit Men, is now a part of the Congressional Record, on page A967 appendix.

The address, made originally before the United Fresh Fruit and Vegetable Association by William J. McCormick, member of the Credit Men's Association of Eastern Penn-

sylvania and past president of the National League of Wholesale Fresh Fruit and Vegetable Distribution, was read by Representative John T. Wood of Idaho to the House.

In his speech, "a violent objection to the inequities of price ceilings on fruits and vegetables and those responsible for them," Mr. McCormick quotes Mr. Heimann as follows:

"Business will abide by the law, but it will resist being kicked around and it will courageously fight any charges it feels are unjustified . . . It will assume a more courageous attitude and not acquiesce in being controlled and regulated when there seems to be no need of it. It's time to challenge these charlatans and it is business management that must show courage to stand against them."

Volume of Testimonials Honors Whitney's 25 Years of Service

A collated volume of personal felicitations from hosts of friends was presented to William H. Whitney, executive manager of the New Jersey Association of Credit Executives, Newark, at a testimonial dinner marking his 25 years of service to the association.



When Bill Whitney undertook the association duties in 1927 he had been southeastern district credit manager of the Fisk Rubber Company, after graduation from Amherst College, a stint as sergeant in the Chemical Warfare Service in World War I, and a period as commander of the American Legion of West Springfield, Mass.

Besides being a member of the N.A.C.M. Secretarial Council start-

ing in 1950, Mr. Whitney's career includes the executive secretaryship of the Sales Executive Club of Northern New Jersey and membership in the Phi Gamma Delta Club, New York City, and the Newark Athletic Club.

Re-evaluating the Outlook

Re-evaluation of the business outlook for this and subsequent years is necessitated by the rescheduling of the arms program, says the "Business Conditions" review of the Federal Reserve Bank of Chicago.

What do you know about FIELD WAREHOUSING?



You can obtain the latest, most authentic and complete analysis on Field Warehousing written especially for the Credit Executive.

You can learn how one company has successfully overcome a difficult credit and distribution problem.

To satisfy your interest in inventory financing and its credit status, write today for a copy of

A STUDY OF FIELD WAREHOUSING

Available only to NACM members
Price \$5.00 per copy

Send order with remittance to

CREDIT RESEARCH FOUNDATION

Affiliated with National Association of Credit Men
229 Fourth Ave., New York 3, N. Y.

Woodbury Reelected President of the New York Association

Reelected president of the New York Credit and Financial Management Association is Roliston G. Woodbury, vice president in charge of credit operations of the Textile Banking Company, Inc.

A new member of the official family is Vice President Dixon B. Griswold, assistant treasurer and controller of McCann Erickson, Inc. Reelected are F. W. Zander, assistant treasurer of United States Plywood Corp., association first vice president; and vice presidents George J. Schatz, vice president of Commercial Factors Corp., and William R. Dunn,

general credit manager of General Foods Corp.; and treasurer William F. Egelhofer, of Henry Glass & Co.

Directors are: (new) S. A. Benis, A. A. Erlandson, W. E. Jeffrey, A. H. King, J. B. Schenfeld, and S. A. Stein; (reelected), W. L. Burbank, H. A. Meixner and G. T. Newell; (continuing) J. J. Brown, R. L. Gray, Lorne D. Duncan, general credit manager, National Distillers Products Corp. N.A.C.M. immediate past president; P. E. Hunter, Victor Isaacs, N. A. Jackson, C. A. Johnson, J. L. Kaiser, T. B. Luse, Hilmer Martinsen, Marian R. McSherry, N. P. Rabone, H. P. Reader, Percy West and F. A. Wolthoff.

ELECTED TREASURER



William E. Vollmer

Advanced to treasurer of SKF Industries, Inc., of Philadelphia, William E. Vollmer, who has been with the ball and roller bearing company since 1944, will also have the duties of assistant secretary.

Mr. Vollmer had been associated with the Philadelphia National Bank 24 years before resigning as loaning officer to join SKF in an executive capacity.

Besides being an honor graduate of the Wharton Evening School of Accounts and Finance, University of Pennsylvania, Mr. Vollmer is the author of "The Wool Industry and Its Financing," written as a thesis for the Rutgers University Graduate School of Banking. He is a past president of the Credit Men's Association of Eastern Pennsylvania, a director of the Chamber of Commerce of Northeast Philadelphia and of Junior Achievement, and a member of the Rotary Club and the Union League.

COMING EVENTS ON ASSOCIATION CALENDARS

STANFORD UNIVERSITY
Palo Alto, California
July 6-19

Session of Graduate School of
Credit and Financial Manage-
ment

DARTMOUTH COLLEGE
Hanover, New Hampshire
August 3-16

Session of Graduate School of
Credit and Financial Manage-
ment

MINNEAPOLIS, MINNESOTA
September 21-24
Fall Conference of Robert Morris
Associates

CHICAGO, ILLINOIS
October 12-15
American Petroleum Credit
Conference of N.A.C.M.

CEDAR RAPIDS, IOWA
October 15-17
Tri-State Conference of Credit
and Financial Managers, com-
prising Iowa, Nebraska and
South Dakota

ST. LOUIS, MISSOURI
October 16-18
Annual Tri-State Conference of
Credit and Financial Managers
comprising Missouri, Kansas
and Oklahoma

ATLANTIC CITY, NEW JERSEY
October 16-19
Tri-State Conference of Credit
Executives, comprising New
Jersey, New York and Eastern
Pennsylvania

KNOXVILLE, TENNESSEE
October 20-21
Annual South Eastern Credit
Conference, covering Tennes-
see, North and South Carolina,
Alabama, Georgia and Florida

CHICAGO, ILLINOIS
October 22
Annual Illinois Credit Confer-
ence

SPRINGFIELD, MASS.
October 22-23
Annual New England District
Credit Conference, covering
Connecticut, Rhode Island,
Massachusetts, Maine, New
Hampshire and Vermont.

YOUNGSTOWN, OHIO
October 24-25
Annual Ohio Valley Regional
Credit Conference, covering
Ohio, Western Pennsylvania
and West Virginia.

KANSAS CITY, MO.
October 31, Nov. 1-2
Midwest Credit Women's Con-
ference

EL PASO, TEXAS
November 7-9
Annual South Western Credit
Conference, covering Louisi-
ana, Texas and New Mexico

PORTLAND, OREGON
March 18-20, 1953
Pacific Northwest Credit Con-
ference, covering Oregon,
Washington and Idaho

New N.A.M. Magazine Calls Issue Freedom or Control

Analysis and interpretation of the American scene of today is the objective of the new monthly magazine, "U.S.A., the Magazine of American Affairs," published in Chicago by the National Association of Manufacturers.

"The key issue of our times," says the magazine, which is in pocket-book format and generously illustrated, "is whether human freedom as we know it is to survive, or whether it will give way to an outworn concept in new guise—the idea of the all-powerful state."

At about the same date "U.S.A." appeared, Senator Harry F. Byrd noted that the civilian employment in the executive branch of the Government was increasing by almost 13,000 a month.

MANAGEMENT IN THE NEWS



E. W. BELOW



E. W. WALRATH

Sales, Credit, Schooling Build Solid Controller Foundation

Two infallible clues to management's recognition of executive ability as well as the individual's appreciation of the tools for advancement are readily found in the sequence of offices held by Emmett W. Below, controller of the Marathon Corporation at Menasha, Wis., and in his educational pursuits.

Mr. Below was employed by Marathon in April 1934, three years after his graduation from the University of Michigan. He has continued his education by taking advanced courses at the University of Wisconsin and the Harvard University Graduate School of Business.

Illustrated also are the close ties of sales and credit department. Mr. Below had been engaged in wholesale-retail selling before joining Marathon, where he immediately went into the sales statistics department. Then followed duties as credit correspondent, a move to the sales service department, promotion to assistant credit manager, a period in field selling, then in 1942 to credit manager. Last year he was named controller, in complete charge of all company accounting.

Election to the directorate of the National Association of Credit Men, 1950-1953, followed a record of service as president and director of the Northern Wisconsin-Michigan Association of Credit Men, of Green Bay.

This Credit Executive Built Career Out of 32 Countries

Eugene W. Walrath is one credit executive who very rightly deserves the term "well-traveled." He has studied, lived and worked in 32 different countries. After receiving his B.A. degree at Syracuse University, he went on to graduate courses in economics at the universities of Heidelberg and Munich. During

1930-31-32 he was sales executive for the Standard Oil Company in Bombay, India. In the World War II he served three years as captain of intelligence in the U. S. and India-Burma theatre.

Since 1933, with the exception of the war period, Mr. Walrath has gone up the ladder of the John Deere Plow Company of Syracuse, N.Y., first as outside collector, then assistant credit manager, and now credit and collection manager.

In the course of his busy life, Mr. Walrath has contributed many articles to publications, lectured at universities, agricultural schools, Rotary Clubs and conventions, served as chairman of the educational and program committees of the Syracuse Association and as a director prior to his election to its presidency.

42 Years with the One Bank Build Management Background

Forty-two years' association with the same bank has given C. E. Gruhler, vice-president of the Bank of America at Oakland, Calif., firsthand knowledge of developments in this area of financial management. Starting with the Peoples Savings Bank of Sacramento, in 1922 he became cashier. When that bank became a branch of the Bank of Italy, now Bank of America NT & SA, Mr. Gruhler was made assistant vice-



L. R. FOLDA (right), president and general manager of the W. J. Bailey Company and president of the San Diego Wholesale Credit Men's Association, with Don Dickinson, former association head. Mr. Dickinson is vice president and director of the Security Trust & Savings Bank of San Diego.



J. W. FITZPATRICK



C. E. GRUHLER

president, with duties as district supervisor of branches in northern California.

A vice-presidency, in 1932, entailed transfer to the San Francisco headquarters and supervision over credits for a group of branches in northern and central California. In 1944 Mr. Gruhler moved to the Oakland main office, one of the largest branches of the bank in California, in charge of credits. He is a member of the Robert Morris Associates, belongs to several fraternal and civic organizations, and has just been elected to head the Wholesalers Credit Association of Oakland.

Wartime Wage Coordinator Now Steel Works Secretary

The many facets of business life of J. W. Fitzpatrick, secretary of the O'Neal Steel Works Company of Birmingham, Ala., range on both sides of his two and a half years as wage coordinator for the Consolidated-Vultee Aircraft Corporation at Fort Worth, Texas.

From clerk to secretary to the district manager was a part of the experience in Mr. Fitzpatrick's 27 years with Republic Iron and Steel Company. After the wartime service with Consolidated-Vultee he joined O'Neal Steel in 1946. In the same year he became associated with the Alabama Association of Credit Men, these activities bringing their reward of the association presidency in January this year.

Container Corp. Host to Board

Nineteen members of the board of directors of the Credit Men's Association of Eastern Pennsylvania were luncheon guests of the Container Corporation of America at their monthly meeting, at the invitation of P. Edward Schenck, credit manager of the Philadelphia division of the company and a member of the association's board.

LOCAL CREDIT IN



ASSOCIATIONS ACTION

CONDENSED REPORTS OF MEMBERSHIP MEETINGS OF ORGANIZATIONS THROUGHOUT THE COUNTRY

MINNEAPOLIS, MINN.—A triple-header program of addresses was a month's offering to the members. On the dais were Governor C. Elmer Anderson, Dr. Arthur Uppgren, and Sterling Castle of Batten, Barton, Durstine and Osborn. Dr. Uppgren, economic consultant of the *Minneapolis Star and Tribune* and for five years on the faculty of the Graduate School of Credit and Financial Management, discussed the values of attendance at the Dartmouth and Stanford courses. Mr. Castle, a "perplexing problem" himself as "Sven Isaacson," did a lament on the tribulations of the "Swedish Credit Association."

NEW ORLEANS, LA.—Two recent luncheon meetings of membership enjoyed addresses by (1) Harry Maxfield, Southern Louisiana chief executive of the Boy Scouts of America, on "Character and Youth as a Basis of Credit," and (2) Kent Courtney, New Orleans Chamber of Commerce, on "Cities Don't Just Grow—Men Build Them."



PARTICIPATING in a panel on credit policies before members of the Syracuse Association of Credit Men were these credit managers: (l to r) C. W. Pritchard, Stromberg-Carlson Co.; E. L. Galloway, Eastman Kodak Co., and C. G. Beardsley, Taylor Instrument Companies, all of Rochester; E. W. Walrath, John Deere Plow Co., Syracuse association's new president; and H. C. Watkins, Jr., Porter Cable Machine Co., program chairman and moderator.

OMAHA, NEB.—Thos. H. Ashton, Omaha branch manager, Bemis Bros. Bag Company, addressed the membership on "The 'Why' of the Committee of '52," following a social hour of fellowship and entertainment.

BOSTON, MASS.—"Is Democracy on Trial?" was the subject of William G. Sutcliffe, dean of Boston University College of Business Administration, before the annual dinner meeting of the Boston Credit Men's Association.

LOUISVILLE, KY.—The Louisville Credit Men's Association met jointly with the Louisville chapter of the Robert Morris Associates to hear addresses by Joseph M. Dodge, president, The Detroit Bank, Detroit, Mich., and Earl R. Muir, president, the Louisville Trust Co., Louisville. Music was provided by a trio of the Louisville Philharmonic Symphony.

DES MOINES, IOWA—A special forum sponsored by the N.A.C.M. Central Iowa unit was held in the auditorium of Drake's Science Hall, on "Your Old Age Security." The members of the panel, and the phases covered, were: real estate, George L. Towne, Des Moines realtor; stocks and bonds, John Dooley, resident manager, Merrill Lynch, Pierce, Fenner & Beane; insurance, Roy Frowick, educational director, Bankers Life Company.

LOS ANGELES, CALIF.—Dr. Alonzo L. Baker, professor of political science and international relations at the College of the Pacific, presented a dynamic talk before the membership of southern California on political aspects and government.

ROCHESTER, N. Y.—"Problems of the Small Investor" were discussed in panel with Frank E. Holley, assistant credit manager, Eastman Kodak Co., as moderator. Panel members were Ralph R. Borchard, realtor and past president of the Real Estate Board of Rochester; Donald A. Gaudion, assistant to the president, The Pfaudler Company; Philip H. Gerner, partner, George D. B. Bonbright & Co., and G. Alfred Sproat, vice president and manager of the investment department, Lincoln-Rochester Trust Company.

CHICAGO, ILL.—U. S. Senator Bourke B. Hickenlooper of Iowa addressed the 56th annual dinner meeting of the Chicago Association of Credit Men. D. A. Grant, Socony-Vacuum Oil Company, outgoing president of the association, made his report of the year's activities.

PORTLAND, ORE.—"Just One More Round" was the subject of an address by David B. Simpson, vice president, Norris, Beggs and Simpson, realtors, of Portland.

NEW YORK, N. Y.—Royal Little, president of Textron, Inc., New York, addressed the luncheon-forum on "Business Cycles and Their Effect on Credit." William L. Burbank, vice president, Chase National Bank, and chairman of the New York association's public meeting committee, made the arrangements.

CHATTANOOGA, TENN.—The association's past presidents were honored at a special membership meeting. Short talks presented interesting comparison of methods of credit administration of past years and the present. President W. T. Hutson, Gilman Paint and Varnish Company, presided.

MILWAUKEE, WIS.—Mrs. Rebecca Chalmers Barton, and N.A.C.M. Past President L. D. Duncan shared the program of the Milwaukee Association of Credit Men at the recent membership meeting. Mrs. Barton spoke on "Human Relations in a Jet Plane Age," and Mr. Duncan on "Credit's Part in Building Your Business."

GREEN BAY, WIS.—A. L. Papenfuss, vice president and chief underwriter, Employers Mutuals, Wausau, Wis., home from a trip to Scotland and continental Europe, addressed the northern Wisconsin-Michigan membership at a meeting held in Manitowoc on "Insurance Operations Here and Abroad."

WHEELING, W. VA.—James T. Brown, vice president of the Mellon National Bank and Trust Company in Pittsburgh, spoke on "The Problems of the Small Business Man in Sales and Credits."

SAN FRANCISCO, CALIF.—Dr. Frank L. Kidner, professor of economics and director of the bureau of business and economic research at the University of California, spoke before the Northern and Central California membership on "Rearmament and Inflation."